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ABSTRACT

The research summarized in Volume I of this two volume study of Johnstown, Pennsylvania provides an overview of the city's social and economic structure. This project was designed to help cure the area's chronic unemployment and economic instability and to serve as a prototype study for other communities with similar problems. Community views and aspirations, as well as government services and taxes, are stressed as major factors in economic growth. Several possible solutions which are suggested have in common an emphasis on the need for greater civic awareness among the residents, so that needed tax levies can be passed. This requires better public relations by local government in order to increase community participation. In addition, the researchers consider proposals for governmental reorganization which would eliminate duplication of effort and competition between various levels of government in the area. One such alternative, the voluntary council, would enable governments to cooperate while remaining autonomous. Although this volume gives general solutions, the detailed analysis of the data, and specific conclusions are contained in Volume II, available as VT 011 117. (BH)

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THE POTENTIAL FOR HUMAN RESOURCES AND ECONOMIC GROWTH IN A DECLINING LOCAL COMMUNITY

VOLUME I

A Socio-Economic Study of
the Johnstown, Pennsylvania Economy

Louis Levine
Project Director

George Walter
Alice Warne
Kenneth Masters
Terry Foran

September 1969

Institute for Research on Human Resources
The Pennsylvania State University
University Park, Pennsylvania 16802

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PREFACE

This report has its origins in the interest in and concern for a better understanding of the economic life of the Johnstown, Pennsylvania area and for a program of action to deal with the problems of high level chronic unemployment and economic instability which have characterized the Johnstown economy for many years. Special surveys and studies of particular facets of social and economic activities in the Johnstown area have been made from time to time. While these have been taken into account in the present study, they were not found adequate to provide the answers to the inquiries which gave rise to the present study.

The decisions to undertake a comprehensive analysis of the human resources and industrial characteristics of the Johnstown area, together with its economic experience, had its roots in a letter from the Hon. John P. Saylor, of the U. S. House of Representatives, to the Hon. Willard Wirtz, the then U. S. Secretary of Labor, in the late Spring of 1967. This letter was subsequently followed by a letter from Secretary Wirtz to Secretary William Hart of the Pennsylvania Department of Labor and Industry and the responsibility for the project was assigned to the Pennsylvania Bureau of Employment Security. In accepting the invitation to make this study, the Institute for Research on Human Resources at The Pennsylvania State University agreed that the project would not only be directly relevant to the needs of the Johnstown community but also serve as a prototype study for other communities confronted with similar unemployment and economic problems.

It was decided that the survey should go beyond the traditional economic base study and, therefore, encompasses an examination of the social forces and structure of the Johnstown area.

The professional research staff resources involved in this study from its earliest stages in late 1967 consisted of Dr. Louis Levine of the Institute for Research on Human Resources and the Department of Economics, The Pennsylvania State University, who served as project director; Dr. George Walter of the Department of Sociology, the University of Pittsburgh at Johnstown; Miss Alice Warne, Center for Research of the College of Business Administration, The Pennsylvania State University; Dr. Robert Avery, Department of Sociology, and Dr. Herbert Chesler, Department of Economics, both of the University of Pittsburgh. Although the research contribution of both Dr. Avery and Dr. Chesler is evident in several parts of the study, their services did not continue beyond the late Spring of 1968 and they did not participate in the writing of the report.

Professional staff members who joined the project early in 1968 are Dr. Kenneth Masters, of the Capitol Campus Social Science Program, and Mr. Terry Foran of the Institute for Research on Human Resources, both of The Pennsylvania State University. Dr. Masters was principally responsible for the analysis of the personal interviews and the conduct of the household survey and Mr. Foran was chiefly concerned with the preparation of the economic projections for the area. The report relied heavily upon the expertise of Dr, George Walter with particular reference to the role of local government in the area's economy. Miss Alice Warne, in addition to the industrial analysis, was also responsible for the preparation of the statistical profile for the area. Supporting staff resources whose services contributed to the advancement of the project consisted of Mr. Herbert Kaufman, Mr. Leonard Zumpano, and Miss Rona Zucker all of The Pennsylvania State University.

This study would not have been possible, nor could the preliminary findings and conclusions have been subjected to critical examination, without the friendly and indeed enthusiastic cooperation of many people in all walks of life in the Johnstown community. The acknowledgment of their contributions and grateful appreciation for their courtesies and kindnesses cannot be adequately conveyed by the written word.

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INTRODUCTION

The structure and organization of the contents of this report have been determined by the prime consideration of how the survey findings and conclusions might best serve the Johnstown community in its efforts to bring about improvement in the local economy. For this reason the first section of the report is devoted to the economic goals of the area and the potential for their achievement. This section attempts to summarize in non-technical and non-statistical terms the basic economic features of the Johnstown economy; the social forces and structure which influence its human resources; the role of the local government in stimulating economic growth and the bearing of community views on this objective; and the alternative courses of action which the community may wish to consider in order to achieve economic development.

In a sense, the first section of the report contains a distillation of the findings bearing on the economic development of the local area. It sets forth the elements of an action program which the community may wish to consider in order to bring about the optimum development and utilization of the area's human resources. This section has been written so that it might be used as a basis for discussion within the community in any deliberations relating to employment growth and stability and to actions designed to keep the level of unemployment at a minimum. The supporting factual data and more detailed analyses of the local area's economic experiences are found in subsequent sections of the report.

Perhaps the single most important consideration affecting the economic development of the Johnstown economy is analyzed in Part II of the report. This section examines the views and aspirations of the Johnstown community. It is unlikely that any intelligent and effective community action program for the advancement of desirable economic goals can be either planned or conducted without the understanding, support, and cooperative efforts of all relevant elements within the community. The findings derived from first hand interviews with the community leaders from various walks of life, and with the highly knowledgeable "experts" whose activities involve local public services, provide many important clues to the potential for community action in the field of economic development. Equally important and in some respects even more significant, are the results of a relatively large scale sample survey of households in the Johnstown area, which are set forth in this section of the report. There is reason to believe that most economic base studies could be considerably improved, so far as economic development considerations are concerned, if more attention were directed to local community thinking--both within the power structure and among the rank and file citizenry.

By the same token, it is possible that the influence of local government upon the realization of the economic potential of the area has received inadequate study in many economic base surveys. This report, in Part III, reviews in considerable detail the structure of the Johnstown city government, its financial resources, and the problems of city and suburban consolidation with particular reference to their implications on industrial plant location and expansion. The importance of community facilities and services, fire and police protection, water and power, transportation, recreation and cultural resources--as well as financial considerations involved in taxes and other costs of doing business - cannot be emphasized too much when analyzing the potential of economic development in a local area.

The section of the report, Part IV, entitled, "Diagnosis of the Local Economy" provides the factual underpinning for all of the preceding sections. It is concerned not only with the various area concepts and definitions which may be applicable to the Johnstown economy, but also and more importantly, with a rather comprehensive examination of the component elements which determine the character and level of economic activity in the area. The analysis deals with the trends and changes in population and labor force with particular attention to employment and unemployment fluctuations and presents projections to 1975 of the population, labor force and occupational composition of the local economy. In this connection, account is taken of such factors as income distribution and the incidence of poverty as they relate particularly to racial minorities. In view of the long lead time involved in the preparation and development of human resources for effective economic participation, the analysis looks into educational and training facilities in the area.

The analysis of the industrial and business character of the area in Part IV of the report, while reviewing employment and other experience in each of the significant important industries in the area, gives particular attention to the bituminous coal and the steel and metal products industries. It examines the influence of personal income and purchasing power on local area economic growth and stability. Shifts in industrial sources of personal income, reflecting changes in private sector activity together with transfer payments, largely social insurance and welfare payments, are also analyzed.

The assembly and review of published background materials, bearing upon the social and economic life of the Johnstown area for inclusion in Part IV of the report, got underway in the latter part of 1967. Shortly thereafter interviews were initiated with selected leaders in the Johnstown community to develop public understanding and support for the study. During this same period appropriate statistical data, both published and unpublished, were collected from state agencies located in Harrisburg, from Federal agencies in Washington, and from government officials directing various public programs in Johnstown. These data, together with a review of special studies previously conducted in the area, pointed to the need for the collection of firsthand information in the area. Such a program was undertaken in the Summer of 1968 with approximately 100 personal in depth interviews with community leaders and public science executives and specialists. In addition personal visits were made to a sample of some 700 households in the Greater Johnstown Area with a specially devised questionnaire as a basis for interviews. The information reflecting opinion, attitudes, and aspirations of various segments of the community obtained in these special surveys needs to be considered together with the quantitative data appearing in Part IV of the report.

The recognition given in this report to the importance of sociological influences on local area economic development indicates their unique importance in an economic base study. It demonstrates the need for an inter-disciplinary approach to an understanding of the economic life of a local area. In the case of Johnstown the impact of unemployment on community thinking is particularly important.

The unemployment rate in the Johnstown labor market area has exceeded the national average ever since the end of World War II. The nadir of the Johnstown experience occurred in 1961 when the monthly average unemployment rate exceeded 18 percent. During the past eight years this condition has improved; but for the most part this has meant simply riding the coattails of national prosperity.

There are serious results from years of greater-than-average unemployment: loss of population; relative aging of the population; a low educational attainment level of the remaining population; an income distribution skewed toward poverty; low rental values; substandard housing; and insufficient social investment.

These conditions have resulted from the historical economic base of the area and from the structure built upon it, which has to date been virutally impervious to change. The existence of good metallurgical coal attracted the steel industry to Johnstown; but otherwise there has been little economic development in the area. A relative decline in the demand for coal, combined with the development of labor-saving techniques in the industry, has vastly reduced the importance of the coal industry as a local employer. Moreover, the steel industry in the Johnstown area has suffered greatly in recent years because of the geographical shifting of steel markets and less favorable access to transportation facilities than were enjoyed by some other areas.

The area's economic structure remains relatively undiversified. It is exceptionally dependent upon durable goods manufacturing, especially steel production, for both employment and income. Because of its export-based orientation, its economy is subject to the vicissitudes of change in national economic conditions. If unemployment rises by two percentage points nationally, it usually rises by six percentage points in Johnstown. The most important change in Johnstown's economy has been the entrance of the apparel industry. However, this industry hires primarily low-wage female labor, and its contribution to the economic health of the area is very limited.

Finally, more than half of the employed persons in the Johnstown labor market area are blue-collar workers, compared with little more than one-third nationally.

The socioeconomic structure of the Johnstown area may, in short, be characterized as specialized, cyclical, blue-collar, aging, and deteriorating.

PART I

AREA ECONOMIC GOALS AND THEIR ACHIEVEMENT

CHAPTER 1

AREA ECONOMIC GOALS AND THEIR ACHIEVEMENT

Except for the last five or six years, the Johnstown economy has experienced chronic, high level unemployment for about a quarter of a century. For most of this period following World War II, Johnstown has been identified as an area of economic deterioration and even stagnation. For example, the U. S. Department of Labor, through the labor market information system of the U. S. Employment Service, made 150 classifications of the Johnstown area between 1950 and 1968 and found that the unemployment rate exceeded the national average 138 times. In fact the Johnstown economy had an unemployment rate in excess of twice the national rate almost half of these years.

During the period 1958-1962, unemployment reached a peak rate of 21.4 percent and throughout the period did not fall below 10 percent. It is not surprising in the face of this experience that the image of the Johnstown area should suffer seriously and that it should be regarded as an unattractive locale for plant location or industrial expansion. Indeed the experience itself becomes a major liability in the efforts to improve the economic well being of the Johnstown economy.

Since 1961, for a period of almost eight years, the United States has been enjoying the longest unbroken stretch of prosperity in its history. Within the last few years the national unemployment rate has declined to below 4 percent and has hovered around 3.5 percent. Labor markets have become tight and occupational shortages are widespread. Except for a few categories of hard core unemployed such as Negro teenagers, unemployment has fallen to minimum levels. The current concern nationally is an "overheated" economy and an inflationary thrust. The problem centers around how to contain inflation without creating unemployment. In these economic circumstances, the Johnstown area has shared to some degree in the national prosperity. It is even possible that some of the local citizenry have been lulled into a false sense of security. The fact is that the basic economic characteristics of the Johnstown area remain unchanged; and the liabilities and deficiencies of the Johnstown area have not been removed or minimized. That this situation is not without some recognition in the area is evident from the local concern about the recent rise in local unemployment attributable to the special situation growing out of a threatened strike in the steel industry and earlier efforts to produce large inventories and stock piling of steel.

Critical to any meaningful assessment of the Johnstown economy and the potentials for achieving "desirable" economic goals, is the requirement of an objective, dispassionate analysis of the social forces and structure within the community, the economic experience and outlook taking due account of assets and liabilities, and the extent to which there exists the machinery and a will to strive for these goals. Assuming general agreement within the area can be reached with respect to the goals to be sought (an assumption more easily made than realized) and that community support would be accompanied by active participation (also involving difficulties in realization), there is a necessity for facing up to the harsh economic "facts of life" in the Johnstown economy.

Granted that researchers and investigators coming from outside the local area cannot hope to acquire the knowledge and the feel of the situation that comes from proximity through living in the community, they nevertheless can bring to a survey of the local economy an independence and a perspective which compels confrontation with realities. Their findings and conclusions must be tempered by the intangibles and qualitative information which can only be contributed by those who are a part of the Greater Johnstown Area. While these findings may be supported by a considerable body of "facts" and statistics, it is important that only the most significant and relevant ones be considered as they bear upon achievement of economic goals. The ever present danger of being overwhelmed by a morass of detailed data and minutiae must be avoided. This section of the report deals therefore with some generalizations and overall observations which are not specifically supported by footnotes and other traditional evidences of "verity". Elsewhere in this report, however, are found data which have contributed to these general findings.

Basic Economic Features of the Johnstown Area

Essentially the Johnstown economy is a natural resource based economy. Although coal mining is no longer a major activity employing large numbers of workers, the presence of coal, water and limestone, at least initially, explains the heavy capital investment and on-going activity in steel and metal fabrication. In a sense the Johnstown economy is out of step with the economic changes and advances which have taken place nationally. Compared with the types of economic activity which nationally account for the sharpest growth in gross national product and which have the largest expansion of employment opportunities, the Johnstown economy is a vestigial economy. It is still dominated by extractive and resource based activities associated with coal and steel. The national economy in contrast has shifted from these activities to manufacturing activities (with high value added content) and increasingly to trade and services.

In fact we now refer to the economy of the United States as a "service economy" characterized by emphasis on trade, finance, education, health, and social services and activities associated with recreation and leisure time.

The dominance of these "heavy" industries in the Johnstown economy has special meaning for economic stability and growth locally, because the conditions which determine these goals are found on the national scene, outside of Johnstown. More than is true for most localities the level of economic activity in Johnstown is dictated by national trends in two industries. As a consequence the Johnstown economy is tied to a very narrow base. The economic risk factor is greatly intensified because there is a lack of industrial diversification. The economy of the Johnstown area lacks the capability of adaptation and adjustment to changing economic conditions--of "rolling with the punch"--which exists nationally. The situation is aggravated by the fact that scientific and technological changes, including advanced mechanization, have had a very considerable influence on coal and steel production, output per man, and labor displacement. These changes, which spell greater production with fewer workers, have adverse economic implications for Johnstown at the same time that they are equated with progress nationally. Their significance with respect to existing plant and equipment and competition for lower unit costs of production must be assessed against new plant and equipment and advanced techniques being introduced in the steel industry in locations outside of Johnstown.

By the same token the competitive position of coal mined in the Johnstown area must be examined in relation to freight costs and alternative fuels and energy reaching consuming markets at lower costs. When costs of transportation and accessibility to markets are taken into account, for this industry as well as other activities, the competitive disadvantages for present Johnstown industry may be ominous.

The significance of heavy industry in the Johnstown area needs to be examined not only in terms of growth but also potential for expanding employment opportunities to absorb a growing labor force. It must also be reviewed for its occupational composition and requirements for skill and technical knowledge. This latter consideration has an important bearing on education and training. Viewed in terms of human resources, over the long pull, heavy industry in Johnstown has limited prospects for expanded employment in absolute terms or for advancement of the skill levels of the area work force.

An analysis of the vital statistics of business and industry in the Johnstown area--especially business births and new plant locations--leads to the conclusion that generally speaking Johnstown's experience has not been favorable. Manufacturing industries in the durable goods fields--in light metal fabrication, in nonelectrical machinery, in sub-assembly, parts and supplies --which might have considerable labor input yet also have much value added to product--have not located in the Johnstown area in substantial numbers. These industries would have relatively low freight and transportation costs and would require a work force of higher skills and technical competence than is presently employed in Johnstown. The few new industries which have located in the area have been largely in apparel and garmets --soft goods--requiring little capital investment and labor skills. Employment in these industries has been almost exclusively of female workers at wage rates less than prevail in other industries. Such industries are not likely to have deep roots in the area.

In several important respects the Johnstown area now has the nucleus of education and health service activities. In fact, the third largest category of employers in the Johnstown area is hospitals--in the service field that has proved so important nationally. This nucleus may provide the basis for further expansion. Moreover, the mountain and forested areas, which because of rough terrain appear to be an economic liability, also have a natural, unspoiled scenic beauty which may have potential for recreation and leisure time activities. Although these activities may not absorb large numbers of new workers, their relationship to parks and resorts has not yet been fully exploited. To some extent the limited approach to trade and service--shopping facilities and services attracting people beyond the immediate environs of the Johnstown area--may also need to be reexamined. In the case of all service activities, it is obvious that the existing area jurisdiction should be extended beyond the current limits.

The transportation system in Johnstown is still oriented to the heavy industry which dominates the area. The railroad transportation is not geared to contemporary requirements or to the market potential which Johnstown needs for economic growth. At the same time considerable optimism is indicated as to the highway construction program which is currently underway and its linkage to arterial highways and turnpike and throughway networks within Pennsylvania and the neighboring states of Maryland, West Virginia, New York, New Jersey, and Ohio. In the case of Johnstown, adequate, economical and rapid transportation has more importance than for most localities. The mountainous terrain and the topography which has closed in Johnstown require that transportation and communication open more windows to the outside world. In this respect, the problem of air transportation is far from resolved. Indeed recent air schedule changes for the Johnstown area represent curtailment rather than expansion.

Traditionally, most economic base surveys of local areas undertake an intensive examination of their industrial characteristics, access to raw materials and markets, transportation costs, taxes, and competitive position in the market place. They proceed from this diagnosis to make hopefully relevant findings and recommendations designed to bring about local area economic improvement. In recent years, these economic surveys have also made projections of local area economic activity, including population and labor force, based on certain models or sets of assumptions. Such findings, likewise, has a bearing on the formulation of recommendations for achieving area economic gains. The present survey of the Johnstown economy is particularly concerned with human resources and manpower development and utilization in the area. This "manpower" focus has been introduced as an integral part of the usual area economic and labor market analysis. It examines the human element--its attitudes, opinions, and aspirations--within the framework of the social forces and structure found in the area. The objective of this examination is to determine their bearing on area economic goals and their achievement.

Human Resources--Social Forces and Structure

Just as the chief economic elements of the Johnstown area are shaped and influenced by the natural setting of its topography and surroundings, so too does the Johnstown environment affect its human resources--its population and labor force. The insulation and isolation of the Johnstown area results in an inbred, inward looking attitude. At the same time it creates an intimate knowledge and friendliness among the residents and a sense of "home." The tendency to establish a "clannish" group extends to the community leaders and to its business and industrial executives. This "home pride," admirable though the trait may be, sometimes creates problems when economic realities must be faced and when existing limitations and behavior stand in the way of community economic growth and stability and improved living standards for the people.

An analysis of the post-war population and labor force changes and trends in the Johnstown area discloses that recognition of declining economic activity, high level unemployment, and distinctly limited employment opportunities was taking place--especially among the young males in Johnstown reaching working age. Their response was out-migration--search for work beyond the Greater Johnstown Area. These economic decisions and actions growing out of stark realities were not equally evident among the community leadership. The out-migration resulted not only in a decline in the number of people living and working in the Johnstown area, but also in a change of the age and sex composition of the potential work force remaining in the area.

The loss of males in prime working age categories represents a lessened human resource production potential. The relatively larger proportion of females of working age remaining in the area has added to the labor supply and attracted industries which pay lower wages. At the same time these population changes have increased the older age segment of the population in the area. During the post-war years a larger proportion of the total population in the Johnstown area--at the extremes of the age spectrum--has required increased social and public services--whether education and related services for youth or health and social services associated with older people.

As private income--wage payments--becomes a declining share of total income, public expenditures and transfer payments--unemployment insurance, old age and survivor benefits, and public welfare payments take on a new significance. The inability to realize on the social investment in education resulting from the "exportation" of educated youth for employment elsewhere thus creates a vicious circle--an ironic economic tragedy for the Johnstown area. Despite the education and training programs introduced in the Johnstown area during the past five or six years as a part of the manpower development and training and anti-poverty programs, there is little evidence that they have had any real effect upon the basic economic problems confronting the area. Essentially the problem centers in the failure of the private sector of the local economy to provide jobs.

An examination of income data for the Johnstown area indicates that a considerable number in the labor force, even though employed, receive wages which on an annual basis only slightly exceeds the standard of $3,400 for a family of four.

Although hourly wage rates may compare favorably, seasonality and lack of employment continuity substantially reduce annual income. By and large, Johnstown in contrast to other local areas having a considerable number of white collar workers, does not have a significant middle-class income group. Yet the the middle income class, through its income stability and buying power, is the basic support to markets. Poverty in this area is experienced by both Negroes and whites. The proportion of Negroes, however, who are poor exceeds that of the whites. Essentially poverty is associated with the long-term unemployed, those who because of age or other disability are unable to work, and a considerable number of employed unskilled production workers.

The people of the Johnstown area, many of whom were born in the area or have resided there for many years, have a tradition of work and a pride in work. Most of them are only a generation or two away from immigrants who came to the United States from Eastern and Southern Europe. Not many years ago, foreign language groups and churches representative of such groups were common in the area. There is a stability in the population as well as initiative and pride which is evident in a high appreciation for education and in low crime and juvenile delinquency rates. Indeed, it may well be said that the single greatest economic asset in the Johnstown area is its human resources. These represent a sound basis upon which to develop the area's economic potential and goals. Raising the levels of skills and technical knowledge of the Johnstown labor force involves a rather large scale social investment which can be translated into local area economic gains only with expanded employment opportunities and different employment activities than presently exist in the Greater Johnstown Area.

Closely associated with the psychology of the local area population--its attitudes, views, and aspirations--as well as an important element in area economic development is the physical appearance of the Johnstown Area. While the City of Johnstown, except for a couple of neighborhoods, does not really have an inner city or ghetto situation, it nevertheless suffers from an excessive amount of old buildings and dilapidated housing in various stages of disrepair. The consequence is an unfavorable first impression upon management and industry executives confronted with decisions of plant location or relocation in the area. Poor housing not only adversely affects the economic development of the area, it also is a liability for retention of a work force already in the area. In this same connection consideration needs also be given to a wide variety of related factors such as air and water pollution, shopping and parking facilities, the whole range of community services such as fire and police protection, garbage disposal and provision for social, cultural, and recreational outlets. Services, resources, and facilities designed to deal with these needs turn on the organized efforts of people in the community. One important expression of this organized effort is the local government.

Local Government's Contribution to Economic Growth

No analysis of local area assets and liabilities for economic growth is complete without an examination of the structure, organization, financial status, and accepted concepts of public responsibility which are found in its local government. Although Johnstown does not have an inner city or ghetto situation, when the city is viewed in the context of the Greater Johnstown Area, it takes on many of the characteristics and problems of an inner city. Yet the fact remains that Johnstown is more than a concentration of population or of business and residential property--it is also a nucleus of economic activity. The economic ties which exist between the municipality and the outlying suburbs cannot be ignored. Indeed the economic future of the Greater Johnstown Area is likely to be determined by what happens to the core area--the City of Johnstown. At the same time it is important to recognize that political jurisdictions, whether of a city or a county do not coincide with area definitions of a local economy.

The economic future of the Greater Johnstown Area turns to a considerable degree upon the recognition of the common interests which exist among the various governmental jurisdictions--local and county--on Cambria and Somerset counties and for many miles beyond. The pooling of resources and facilities in these areas which determine the quantity and quality of a variety of community and other public services not only contributes to economy and efficiency, it also will have an important influence on attracting new industry to the area generally. The issue of governmental separatism versus consolidation involving the City of Johnstown and the surrounding suburbs need to be resolved especially as it bears on the capability of assuring needed community services critical to new business and industrial requirements. Existing local government fragmentation can only be interpreted as a limitation on the capacity to provide needed services.

Elsewhere in this report the role of local government in the economic life of the Johnstown area is dealt with at great length. There can be no doubt that the authority of government whether through the levying of taxes, the expenditure of public funds, or the scope of community and public services performed is of critical importance in shaping the local economy. At the same time there is a danger that an economic program for an area geared to a highly localized formal government is likely to fail. The development of inter-area mechanisms for pooling and exchanging resources and facilities and for coordinating governmental efforts directed to economic development becomes increasingly important. The combined and coordinated efforts of city and county governments in the planning and implementation of government activities and services, especially as they relate to various departments and agencies of the State government and to regional and district authorities of both the Federal and State government can have a beneficial effect on the local economy. There is reason to believe that some headway in this direction is being made in the Johnstown area, although only the first steps have been taken.

Important as formal or official government is in determining the level and character of economic activity in a local area, frequently "informal" government--consisting of the community or area leadership and the activity of the public or local citizenry--may play an even more influential role. Local efforts, a sort of "operations bootstrap," are often the initial stimuli which set government planning, programming, and execution in motion. Organizations and groups concerned with the public interest--broad based in its representation--often create the political sensitivity which causes official government to act. This may begin as "clean-up" campaigns or "beautification" programs--housing improvement and repairs, building renovations, etc. but soon the interests turn to more fundamental considerations of economic limitations and liabilities which give rise to surface evidences such as physical deterioration within the community.

Community Motivations and Aspirations for Economic Improvement

In the last analysis the Johnstown community must make those decisions which are in its power to control its economic destiny. A major determinant of community effort to bring about economic growth and improvement is the degree of awareness existing in the public of economic problems and the need for their resolution. The mobilization of community interest and support waits upon this awareness. It is important, therefore, to ascertain the thinking, views and attitutdes of community leaders in various sectors of the local economy, of government executives and supervisors, and of the "man in the street" about Johnstown as a place to live and work as well as its economic future.

Through a series of personal interviews and household visits a considerable body of information on local views has been assembled and analyzed in a later section of this report. In examining these findings and their implications for achieving economic goals in the Johnstown area, it is well to distinguish between the various sources in the community which supplied information on the identification of problems, their diagnosis and possible solution. Community leaders whether from business, organized labor, or special interest groups were articulate, held to definite opinions, but their views were often impressionistic and lacking in concrete information. Community specialists--holding key positions in government--were able to present more comprehensive and specific delineations of problems and solutions, and were quite sensitive to political implications, but skeptical of adequacy of resources for attacking the problems. By and large, the general public was most vague and general in their problem identification and solutions. A summary of these survey responses indicates:

(a) Problems--Identification and Solutions: Contrasting the information obtained in the household surveys and in the leadership interviews, and recognizing the hazards of approaching a subjective area in sufficient depth, there does appear to be substantial agreement by both the public and their leaders as to the most pressing problems facing the Johnstown area. The specter of unemployment and the lack of employment opportunities emerge as the primary concerns. There is also substantial agreement on the need for improving community services and facilities and in the need for consolidation.

The leadership emphasized the advantages of planning and the effects of environmental changes which will produce indirect economic and social consequences whereas the public tended to think more in terms of problems which touch daily living directly such as recreation programs, air pollution, bus transportation, availability of housing, etc.

The public is more approving of new types of government effort while the business and political leaders are more reserved in their judgment, preferring to wait and see.

The business and political leaders and the government administrators are more impatient about the limitations and frustrations of government structures and relationships. The public, by contrast, appear to have higher expectations and greater appreciation for their elected representatives than have the political leaders themselves.

(b) Perceptions of Community Liabilities: Remembering the past cyclical fluctuations in the demand for steel, the Johnstown community is uncertain about the future of steel and about the role which the steel corporations will play in Johnstown's future. While the local managers are well aware of and sensitive to the uncertainties of the future, control of corporate decisions in specific communities is only one among many complex problems faced by a nationwide corporation and there is a danger of exerting too much power in community affairs as well as too little.

Despite considerable effort to attract new and diversified industry, residents of the Johnstown area feel discouraged about the lack of success of these efforts. They recognize a host of environmental factors which have had undesirable economic and psychological effects such as lack of accessible highways, insufficient community services, the poor appearance of the community, high wage rates, and not enough amenities. They are concerned about the adequacy of their efforts to attract industry in the past and whether these efforts have had the united support of the community.

They are conscious of the lack of job opportunities leading to the out-migration of the community's youth and the resultant loss to the community as well as to the parents. Educational preparation for most careers has been difficult to achieve within the region and attending schools in the larger metropolitan areas has involved expense and other problems.

There is uncertainty about the ability and willingness of the political leadership to react to the social changes in the community and to command the resources necessary to make changes. The problem of fragmented government in the suburban communities is considered a deterrent to industrial development as well as more effective government services. Without the political acceptance of technical specialists and modernized supporting services, the role of city government is seen as limited and frustrating.

The problems of communication with and effective support from State and Federal government are also recognized by both business leaders and government administrators.

There is concern for the coordination of voluntary efforts as well as government and quasi-government programs.

Latent conflict among segments of the community is felt to exist although not often openly discussed.

An image of Johnstown is prevalent in which environmental factors--a hilly topography, limited access, deteriorated housing, obsolescent industrial plant, air pollution plus a psychology of apathy and defeatism--have produced a community which has turned in upon itself and has become parochial in outlook.

Lastly, there is concern that the community knows too little about itself. Census data appear only once every decade and specialized studies contain only part of the information needed. Lack of better data is seen as a deterrent both to evaluation of government and to more effective planning for the future.

(c) Perception of Community Assets: The benefits of a high wage industry, the research capabilities of the large steel corporations and the extensive programs of modernization and pollution control were known to some informants but apparently has not received wide or favorable publicity. Programs of in-service training and other employee-centered company and union programs did not appear to be widely known outside the industry. Two other valuable economic assets were the high regard in which Johnstown labor is held and the high degree of job satisfaction expressed by workers.

There was recognition of considerable industrial development effort and some achievements, such as the industrial park in Richland Township, despite the concern about divisive efforts and the questioning of what type of industry should be sought.

The University of Pittsburgh at Johnstown and the new Vocational-Technical High School were both seen as helping to develop skills which would be immensely valuable to the community. In addition, the cultural life of the community would benefit and this in turn would help to change the image of an ingrown community.

As to the environment, it is only necessary to expand one's view to encompass the wider region with rich scenic and recreational attractions. The suburbs of Johnstown are considered quite favorably and over half the city residents consider Johnstown as a good or excellent place in which to live.

Achievements can be cited in highway construction and in urban renewal and more work currently is planned.

Because of its unique topographical setting and history, many leaders feel that tourism would be an excellent new industry for the area.

Because of frustrations over what might have been, it has been too frequently the case that the solid achievements of municipal and county government during the last ten years have been lost sight of, for example: urban development, planning, installation of a city sewer system and creation of a new airport.

Despite recent setbacks in consolidation efforts, there seems to be an unmistakable urge to find a way to enlarge the scope of local government and make it more effective. Efforts to consolidate are deep in the historic roots of Johnstown and will continue as will other efforts to improve intergovernmental effectiveness.

There is wide recognition that the relationship between the businessman and the politician has improved during the last decade. The Johnstown area businessman has demonstrated his willingness to assume community responsibilities and both the Greater Johnstown Committee and the City-State Partnership Program bear evidence of business and government working together.

The countercyclical effects of unemployment compensation, social security and other government programs are evident as are the beneficial results of job training, rehabilitation and mental health programs. And despite the lack of enthusiasm for some of the newer, more experimental programs, there is wide recognition that many programs accepted today evolved from programs viewed as impractical and unfeasible when first initiated.

Considerable efforts have been made by the private sector through voluntary efforts to eliminate the sources of conflict in the community, particularly as they involve lack of equal opportunity or lack of acceptance by the community. Johnstown's tradition of the acceptance of ethnic diversities may be an asset in these endeavors.

Johnstown is fortunate in having career public administrators who have grown up in the community and know its problems. Many of their frustrations are the frustrations of working in large and complex organizations in an increasingly complex world. Their accomplishments have not gone unnoticed nor has the increasing dependency of government and the public upon their services.

Alternative Actions for Economic Development

Without submitting a formula or prescribing a series of remedial actions for the rehabilitation and improvement of the Johnstown economy, the examination of the experience since the close of World War II and especially since 1960 clearly discloses economic liabilities which must be overcome. Other special surveys made in the past, while limited to specific sectors of the local economy, likewise identify these liabilities. Despite some differences in degree and sometimes as to particulars there is general agreement in the community as to the nature of the economic difficulties confronting the area. The decisions with respect to the actions that need to be taken to deal with these problems can only be made by the community. By the same token, a differentiation as to priorities and a time schedule for action is a community responsibility. Since the actions taken will of necessity involve sacrifices, financial outlays, and large scale expenditure of time and energy, they require careful consideration. Nevertheless, it is appropriate within the limits of this survey and this report to suggest for consideration corrective economic actions which might be taken in the Greater Johnstown Area.

It is assumed there is agreement that the end goals for the economic development of the Johnstown economy are high and stable levels of economic activity; economic growth through industrial diversification and thus better economic balance; optimum development, preparation, and utilization of human resources; and improved living standards through greater income in the private sector and purchasing power supports through income maintenance. The achievement of these goals requires in the first instance organized effort within the community on a continuing full-time basis.

Despite a lengthy list of community organizations (Greater Johnstown Chamber of Commerce, Greater Johnstown Committee, County Industrial Development, Community Action Council, City Coordinator and City Department of Community Affairs, the Mayor's Citizens' Committee and the Community Chest) interested in community betterment the record of accomplishment in the field of industrial and economic development is limited. Indeed, it may well be that there has been too much segmentation, duplication, and even activity at cross purposes. It would seem desirable that there be a designated (agreed upon within the community) a single central organization which would be concerned exclusively with economic development. This does not mean the liquidation of all other entities having an interest in economic development. On the contrary it calls for their coordination and continuance as subsidiaries of the central organization. Such an organization might conceivably be located in official government, but questions such as city or county government statutory limitations and sources of financing might strait jacket action. While government and community objectives might in most instances be identical so far as economic development is concerned, conflicts might arise. There is also a question whether private enterprise seeking to locate plants or expand employment in the area should look to government alone.

The location of economic development responsibility which permits much greater latitude and freedom of action and which answers most of the questions raised in the preceding sentences, might be an alternative organization outside of local or county governments with a jurisdiction extending to the Greater Johnstown Area. This organization would relate to similar nongovernment (but exercising quasi-government responsibilities) organizations serving areas within a territory bounded at least by Altoona, Indiana, Greensburg and Bedford. It is not the purpose of this report to determine the regional or sectional bounds of the geographical base for economic development of the Johnstown area. Suffice it to say that a much too narrow and restricted geographic approach now exists in the Johnstown community for the economic development of the area.

The identification of a central organization concerned with economic development needs to be accompanied by provision for staff resources and other means for implementing its actions. Industrial and economic development has now reached a stage where the state of the art calls for a professional specialist - well versed and knowledgeable in the varied complex elements of the subject. Mere extrovert characteristics and salemanship qualities are not enough. Qualified individuals are in short supply and the salary offered will have to be competitive with alternative bidding from many other localities. Among the executive qualifications required of a director for economic development is the capacity to preside over a planning and advisory council representative of the various sectors of the Greater Johnstown Area.

The economic development planning and advisory council, while independent of official government, needs to maintain close ties of a consultative character with all facets of local, county, and State government whose activities influence the industrial and economic development of the local area. While the council cannot be expected to provide the specialized technical and professional services incident to industrial development, it must be conversant with the general field. It might well be the responsibility of such a council to agree upon a time schedule of actions to be taken based on its planning activites. An element in this process will be the determination of short range, intermediate, and long-term economic goals for the area. In other words, there is a need for what presently is lacking in the area--namely, a plan of strategy for economic development.

Critically important for the development of plans and the determination of actions required for economic development is the availability of current, comprehensive, and meaningful area economic intelligence, properly analyzed. Neither a sporadic nor part-time activity will assure such intelligence. Although the Johnstown area has been surveyed again and again, there does not now exist such a body of current information adequate for economic development needs. It would seem that there is an urgent need on a continuing basis for a highly professional capability with requisite technical competence to assemble, analyze, and disseminate economic and related information pertinent to the Johnstown economy calculated to attract new industry to the area and broaden its economic base. A wide variety of sources in the Federal, State and local government needs to be tapped regularly to provide such information. Indeed the existence of a professional economist, trained in statistical analysis within the economic development organization might result in the establishment of a central economic and statistical information clearing house for the Johnstown economy.

Whenever the subject of local area economic improvement is introduced, inevitably the matter of financial assistance, through grants and loans, from the State and Federal government dominates the discussion. Within the past ten or fifteen years a vast amount of legislation has been enacted, both in Pennsylvania and in the Federal government, which is designed to benefit regional and local areas with respect to highway and other transportation systems; educational, recreational and cultural facilities; environmental controls such as air and water pollution; health and welfare services and industrial development. These range from such legislation and programs as the Public Works and Economic Development Act, the Elementary and Secondary School Act, the Higher Education Act, the Vocational Education Act, to the Act for the Appalachian Regional Commission to name a few in the Federal sphere to the legislative authority. Activities of the State Planning Board, the Economic Development Authority, the Turnpike Authority, the Department of Community Affairs and the recently introduced City-State Partnership Program in Pennsylvania are also involved.

Unfortunately a knowledge of the statutory provisions and the legal bases for obtaining financial assistance from government sources is relatively rare, especially in local areas. The complexities involved in penetrating the several levels of government bureaucracy and access to the channels of communication often create barriers locally for obtaining such financial aid. It is precisely this situation which suggests the need for technical specialization in the local and county government to concentrate on the sources and types of assistance which may be found in other government jurisdictions. In this connection, it is important to realize that professional, technical and administrative staff resource assistance from these jurisdictions may be even more significant than financial aid to advance the planning and execution of economic development locally. Similarly the likelihood of obtaining financial and professional governmental assistance locally would be greatly enhanced if a broad based regional rather than a localized approach were undertaken.

Once the organization and structure--the planning and implementing machinery--for urban and regional economic development is established and provision is made for the relevant professional and technical capabilities, it becomes necessary to agree upon a strategy for action. There is reason to believe that past efforts to attract industry to the area and to improve the local economy have lacked selectivity as to the type of industry which would best contribute to community economic well being. It may be that there has been inadequate pre-determination as to the types of industrial production and economic activities which when located in the Johnstown area would be competitive with other markets.

Consideration needs to be given to undertaking economic development analyses to determine the types of industries which would offset the adverse employment effects of seasonal operations, technological displacement, and short work week activities of industries now located in the area. In this connection, study needs to be made of the potential in metal and nonmetal manufacturing activity of sub-assembly and component parts in both electrical and nonelectrical machinery, equipment, appliances, and related products. Employment in manufacturing and in the service fields may be expanded through tie in as suppliers to industries in other parts of the region and section of the State in which the Johnstown area is located.

Since the manpower resources in the Greater Johnstown Area represent one of the most important assets for the improvement of the local economy, it would seem desirable that efforts be directed to developing the skills and technical knowledge in the work force which would attract needed industries and which would expand service activities. Particular attention needs to be given to expansion of the supply of technicians in electronics and laboratories, and in health and related services. This means more emphasis on post high school education and training through such facilities as the Vocational-Technical School, the nursing training facilities and the Cambria-Rowe Business College. Institutions of higher learning such as the University of Pittsburgh at the Johnstown site, St. Francis College and Mount Aloysius need to develop coordinated efforts to improve the caliber of the area's manpower resource. A case can be made for an even broader based approach to include such facilities as those at Indiana University. Even on a more limited basis, the total educational complex of the Greater Johnstown Area from elementary through post-high school institutions need to develop coordinated comprehensive programs which will not only build better citizens but will contribute to economic well being in the area.

Closely related to these considerations for employment potential in the service category is the possible expansion of activities in the health care and associated health services field--hospitals, laboratories, production of drugs and medicines, and medical and hospital supplies and rehabilitative equipment. The nucleus of several hospitals, a rehabilitation center, and the nursing training facilities provide a basis for expansion in this field. These types of employment call for higher skills and technical knowledge. These activities produce high value output, small bulk and weight and have relatively lower transportation costs.

The general location of the Johnstown area in terms of proximity to major urban centers with large population concentrations is favorable because relatively short distances are involved. With improved highway facilities becoming accessible to the Johnstown area, over the road trucking to other nearby centers of production permits greater emphasis on sub-assembly and parts and supplies production. The economic potential of the short haul deserves more attention. By the same token, the transportation of high value, small bulk products suitable as air cargo would permit new types of industrial activity in the area.

Despite the most elaborate and efficient actions for the creation of an economic development organization in the local area and the introduction of relevant professional competences, the success or failure of the program will turn on the extent to which it has widespread sympathetic public understanding and support--and even more active participation. The best intentioned leadership cannot achieve economic goals for the local economy without grass roots community support. Based on the personal interviews and household survey there is reason to believe this condition does not presently exist in the Greater Johnstown Area. It is reflected in part by the divisiveness and conflict existing over the issue of separatism or consolidation of local area governmental entities. A realistic assessment of the prospects for an effective economic development program for the Johnstown area cannot ignore the suspicions of community leaderships and opposition to it which in language of the area is associated with the "Sunnehannah Club" or the "Bachelors' Club." There would seem to be some need for exploring ways and means to improve communications and to eliminate compartments which fragment the community and obstruct a concerted effort for community betterment. Perhaps no facet of community life can serve as a unifying influence better than the economic development of the local area which promises better living standards for parents and their children.

PART II

THE JOHNSTOWN COMMUNITY: VIEWS AND ASPIRATIONS

CHAPTER 2

THE ELITE VIEWS THE JOHNSTOWN COMMUNITY[1]

In every American community there is an elite group whose community knowledge and role are instrumental in influencing the future. This group combines the management of the economic resources, the administration of the governmental programs, the direction of the political and civic energies, the molding of local opinion, the inspiration of creative efforts and the tapping of outside organizations which influence and control outcomes only partially under the control of local participants.

The leadership and the public "experts" influence and direct many aspects of the community's future. This section of the report attempts to understand their perspectives and to identify the issues and decisions which they regard as crucial to the future of the Greater Johnstown Area. (Alternative definitions of the area appear in Chapter 10, Part IV of the report).

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[1] Although it is difficult to distinguish sub-groups among the elite because of the multi-interests of the members, the following were represented: businessmen (including executives from both large corporations and smaller enterprises), lawyers, bankers, public utility executives, government administrators for a variety of programs, political leaders, elected officials, union leaders, managers of voluntary organizations, religious leaders, educators and cultural leaders. Within this group those who are in the top echelon of government programs engaged in either executive or supervisory responsibilities were regarded as the "experts."

Over 100 interviews were conducted with leaders and experts in the Greater Johnstown Area. In addition, experts on the Greater Johnstown Area located in Harrisburg and Washington were also interviewed. These interviews frequently extended for an hour or more conducted informally with a minimum of note taking.

The preliminary work prior to interviewing the leaders, the career executives and professional specialists consisted of developing lists of names and investigating the key local issues and crucial developments which transpired during recent years. Although the interviews were unstructured, two questionnaires, used as guides, were prepared,[2] each interview was summarized and this information was distributed to key members of the project staff. All this was done with the understanding that information obtained in the interviews would be kept confidential and any specific judgment or inference would not be attributed to or identified with a specific leader or expert.

As information and ideas about needed community efforts were accumulated, the desirability of reporting preliminary findings back to the community for further reactions of the leadership and expert groups became evident. Accordingly, several meetings with representative groups of leaders and experts were held in December 1968 and in January and February 1969 in which additional reactions and conclusions were formulated in conjunction with the community representatives.

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[2] See Appendix Sections 1 and 2 for copies of the interview guides.

Sensitivity to the Public

Attitudes toward the public were varied and specialized. The representatives of the business community tended to view the public as employees or customers. Public administrators had amassed specialized knowledge about characteristics of their client groups. Political leaders were especially attuned to citizen complaints and reactions to government programs, to problems which the citizen felt government should solve and to complaints about taxes. Certain government administrators, such as urban planners and redevelopers, mobilizers of community action, educators, and social workers, were in close touch with problems which deeply affect the lives of the citizens of the Johnstown Community.

In addition, through membership in voluntary organizations, civic boards and committees, the elite group had become familiar with other facets of the community and with representatives from other organizations whose goals might be similar or radically different from its own. The elite group was also aware of changing relationships and conflicts within these groups and to barriers to the achievement of their own goals and objectives.

While most of the elite desire more perfect public understanding of the activities of the organizations they represent, their own knowledge of the general public is often imperfect. The data available to them concerning the public are apt to be fragmentary, specialized and sporadic.

Knowledge of Community Characteristics

In discussing the economic structure of Johnstown, most leaders mentioned the dominance of the iron and steel industry, the lack of industrial diversification and the need to create employment opportunities attractive to young people graduating from high school and college.

In considering the political structure, most leaders espressed a strong desire for both a change in the form of city government and for continued attempts to consolidate city and suburban communities.

While acknowledging the virtues of the Johnstown workers, many leaders expressed the view that citizens were resistent or opposed to change.

Innovations and changes in government--planning, redevelopment, and coordination--were generally considered as necessary and worthwhile although some of the newer state and federal programs, such as community action programs, were viewed with some reservations.

The regional environment was regarded as an asset to the community, particularly for recreation.

Development of suitable transportation routes was considered vital to the economic viability of the community.

The ethnic diversity of Johnstown was not considered to lead to any problems and only a few informants were aware of, or cared to discuss, symptoms of racial stress.

Except for the existence of deteriorated housing, other evidences or characteristics of low income families were not stressed in their responses.

Reactions to Outmigration and Economic Opportunities

Whereas the general public in the Johnstown area tended to be a group depleted by outmigration and with long residency in the area, leaders of new businesses and of the larger corporations tended to be in-migrants. Many of these men expected career advancement to be associated with mobility. They also recognized that if scarce managerial and technical skills were not available locally it would be necessary to import such skills from outside the community.

The reluctance of older workers to leave Johnstown for economic opportunities elsewhere was mentioned several times. Deterrents against leaving the area were ties of home, family and friends and the possibility of employment in high wage industries even for part of a year.

There was almost a unanimous concern about the inability of the communtiy to absorb the young high school and college graduates into the local economy.

A tendency for migrants from Johnstown to return and the preference of employers to hire former residents of the area was evident in the responses.

Johnstown Versus Suburbs

In contrast with the general public view expressed in the 1968 Household Survey, the leaders and experts acknowledge a vital relationship between city and suburbs. They recognize the services provided by the city and the extent to which the suburban communities are dependent upon it. In recognition of this important connection, almost all the leadership group favored consolidation of Johnstown and its suburbs.

Several business and civic leaders and experts emphasized the pool of talented leadership existing in the suburbs which could be drawn upon following a consolidation. Like many other judgments made, information not presently available would be needed to even assess the extent to which businessmen and other occupational groups living in the suburbs are presently involved in governmental or quasi-governmental efforts. Based on the present leadership survey, the involvement of suburbanites in such efforts is already considerable.

In the identification of problems and suggestions for their solutions the elite group was not in agreement. Significant differences were evident within the group, especially as between the "leaders" (often businessmen or representatives of special interest groups) and the "experts" (key officials, making up the bureaucracy of the state and local government). The individuals were articulate and specific in identifying problems and proposing solutions, especially the "experts" who tended to be skeptical and sometimes critical of the views (and even more the actions) of individual leaders. Often the leaders lacked specialized knowledge in a specific problem area with the consequence that their views were impressionistic or colored by preconceived notions. The experts, exercising executive and supervisory responsibilities in local government activities, often has access to information which had not been widely disseminated.

From an extensive array of problems on which views were expressed a classification into four broad groups has been made: general economic problems, the dominant role of the large corporation in the Johnstown area, problems of government and the relationship between the business leaders and the politicians.

General Economic Problems

Whereas respondents in the household surveys had tended to identify economic problems in terms of lack of employment opportunities, and to a lesser extent in terms of a lack of diversification of industry and the high cost of living, the leaders and experts saw a wider range of local area problems and elaborated on problems in more specific detail. Aside from a concern about employment opportunities for high school and college graduates, the focus of concern about economic matters is the inability of the Johnstown area to attract new industry and the multitude of factors, and particularly industrial development efforts, which are associated with decisions about location of industry.

In considering the need for diversification of industry and for growth industries a variety of suggestions were made. These ideas were often based on assumptions which the respondents realized would require verification and further study.

Location was frequently mentioned as a serious problem in attracting new industry, even though there has been improvement in the road transportation facilities connecting Johnstown with the turnpike and other arterial highways. In addition to favorable comments about the work of the Highway Coordinating Committee, there was optimism expressed that the connection of Route 219 with the turnpike and the new shortway would attract service and distribution industries. The proximity to Pittsburgh coupled with the difficulty of finding industrial locations in the Pittsburgh area were considered to be favorable to the development of industry in the Johnstown area. One businessman felt that Johnstown, in the midst of a recreational area, had attraction as an eventual satellite community within commuting distance from Pittsburgh.

The lack of availability of suitable industrial sites in Johnstown was an argument used several times in recommending a regional approach to industrial development. The large number of local jurisdictions in the suburban area and the problem of these communities providing adequate services such as water, access roads, sewers, parking, police and fire protection was mentioned leading to the question of the adequacy of such services in the industrial park which is being developed in Richland Township. Several business leaders and experts questioned the extent to which industry should be "bought" through the provision of free services, free land, tax holidays and other inducements.

Other community facilities felt to have an effect on both the attraction of industry and executives to the area were housing and recreation. The natural beauty of the area was also mentioned.

One leader felt that the eventual introduction of graduate courses at the Johnstown Campus of the University of Pittsburgh would serve as an attraction to industry.

Although reacting favorably to some efforts by the large manufacturers and utilities to attract new industry to the Johnstown area, the leaders and experts were largely critical of efforts to attract industry. A number of business and government officials complained that although the Greater Johnstown Chamber of Commerce had been able to raise over one million dollars to attract new industry, they had little to show for the funds that had been spent. Fault was found with the new industries which had been attracted, some of which had failed, leading to further discouragement. To what extent was the community behind industrial development efforts? Some noted the drying up of local investment, others felt there were serious divisions within the leadership structure.

There was some questioning about the type of effort needed, where effort should be centered, and the need for coordination of effort. One expert saw the role of the industrial developer as being a "go-between" between the potential developer and the politicians. Another saw a need for research and accountability in industrial development while another leader felt that an effort should be made to determine why potential new concerns had decided not to locate in the Johnstown area.

One experienced administrator took the temperate view that the community should not be too critical of its efforts in view of the tremendous competition for limited new operations and in view of the many factors which were only partially controllable. The psychological element in being attracted to an area and in the type and timing of community effort was noted. There was an irony in the fact that cyclical swings in community efforts were inversely correlated with the business cycle--that efforts to attract new industry were intensified during periods of recession when it was most difficult to find businessmen in a mood to think of new ventures.

The Dominant Role of the Large Corporations

It would be expected that the Johnstonians would look towards the largest employers in the area with concern although aware of and sympathetic to problems of large corporations and their involvement in the community. Many of the respondents know of the modernization and capital investment programs by the steel mills during recent years and also realized that production of steel products in the Johnstown plants was tied to the national demand for automobiles, railway equipment and other products. There was concern about the planning and research programs of the steel mills, their plans for diversification, and the operational problems of steel production considering the diversity of products manufactured and the different degrees of modernization and competitiveness of the Johnstown plants.

One concern about the mills focused on the fear that the mills were indifferent to cyclical unemployment and the "normal" unemployment in the area could be an advantage to the mills because of flexibility of increasing production in a minimum amount of time and, further, that because of high wage rates many workers were not opposed to discontinuous employment. The main concern, however, was for the role that the mills were playing in community efforts. Was there an unwillingness on their part to get involved in community programs? The participation in the United Fund and fund raising for the Johnstown Campus were mentioned, but the significance of not having a representative from one of the large steel corporations on the City-State Partnership Program was noted.

Another respondent questioned the roles in community effort which the foremen, the executives and the public relations departments should play.

The possibility of the corporation making non-cash grants for urban renewal housing was suggested as a possibility of how a large corporation could develop stronger ties in Johnstown.

In a philosophic vein, the question of the proper role of the corporation in discharging its social responsibilities to the community was not completely answered. Some felt that it was best discharged through its responsibilities to its workers such as training and health programs and affirmative action programs to increase opportunities for disadvantaged workers. The danger of taking an active part in community programs and subsequently being accused of attempting to dominate the community was a danger felt by several leaders.

Problems of Government

The mention of city government in Johnstown produces an image of problems and inadequacies, felt not only by the business and civic leaders and the administrators, but also by the politicians and elected officials themselves. The difficulties in securing qualified personnel for planning and other functions, the coordination of programs affecting the city and the need for factual information and technical knowledge on which to base decisions were all frequently mentioned as problems.

Another aspect of the short supply of talented administrators was the inability to pay salaries which would attract the caliber of person needed. The precarious financial position of the city budget because of a declining tax base and state-mandated pay increases for certain classifications of employees, and a lack of balance in the composition of city employees among departments were also noted.

There was almost complete unanimity among the leadership group that the form of city government should be changed although no strong preference was stated between the City Manager and "Strong Mayor" forms. In contrast, only one-fourth of the 1968 Household Survey respondents were aware of the issue and favored a change, 28 percent expressed no preference, and 41 percent stated a lack of knowledge about the issue.

Most of the respondents expressed concern about planning and coordination, some feeling that the city could take a leading role in regional planning and others feeling that the city's role should be limited and that the real potential for regional planning was at the county level of government. Some felt that the city could secure the cooperation of borough councilmen and township supervisors in the suburbs and serve in an integrative role. Others emphasized the need for developing a set of priorities for the city and for greater efforts in linking the city to state and federal programs.

The Relationship Between Business Leaders and Politicians

None of the leaders interviewed failed to recognize the importance of both political and business leaders in the community development of Johnstown and of their relationship to each other. Most of the business leaders felt that they, the businessmen, should be involved in community efforts, one man saying there was a recognition that "community is their business." The businessmen also felt that there was a growing awareness by their group of the problems of the city. Some concern was expressed about the amount of time that civic work involved, one businessman stating that one-half of his time was spent in such work. There was also an opinion stated that businessmen were unwilling to "bare their knuckles in the political arena" and that the businessman did not understand politics and was unwilling to take the time to learn what was necessary to know about politics.

Most respondents felt that there had been a definite improvement in the relationship between businessmen and politicians in Johnstown, that politicians were now more accessable than in the past and that communication was easier. Many felt that politicians should be asked to participate to a greater extent in civic efforts, that politicians wanted to get things done and the relationship between businessmen and politicians was that of the businessmen identifying things to be done and the politicians of seeing that they were done.

The Evaluation of Government Effort

Although the role of local government by itself is limited in controlling or changing the economic environment of the Johnstown area, the indirect effects of government are considered of great importance by the leaders and experts. The role of municipal and county government in initiating, expediting, administering, and interpreting federal and state programs which have direct and far reaching economic consequences was emphasized. The creation of an overall social environment affecting present economic activities and shaping the future was also mentioned. One leader felt that there is an image of government which affects the attitudes and spirit of the public, the business leader and the professional administrators and the career technicians.

One relatively new government function which had caught the imagination of most leaders is planning. Most of the leaders and experts were favorably impressed by planning efforts that had been made in the Johnstown area, but as in the case of other new programs many leaders felt that it was too early to make a definite assessment. Problems with the locus and jurisdiction of planning were mentioned as was the contractual relationship between the City Planning Commission and the County Planning Commission (which is currently preparing a comprehensive plan for Johnstown). The work of the County Planning Commission with boroughs and townships and the cooperation with school districts in land use and population studies was also mentioned.

The need for increased emphasis on planning and on coordination was frequently cited along with the endorsement of a different form of city government and the consolidation of the suburban communities with the city. The problem of coordination reoccurred in many of the interviews, not only as a problem involving city and suburban governments and municipal authorities, but also involving state and federal programs and voluntary organizations. Development of effective relationships among different levels of government and the importance of effective communications were stressed. Many administrators and business leaders expressed concern about being able to make effective contacts with state and federal officials. The problem of turnover of key personnel in many of the state agencies and fathoming the chain of command were also noted. New legislation providing for local participation in highway planning at the state level was looked upon with favor.

The overlap of city and state (and state and federal) programs such as health and mine safety inspection programs was noted though not necessarily viewed as undesirable. Many instances of representatives of state and federal agencies working effectively together in matters related to social security, public assistance and employment opportunities and security were noted. The effective cooperative relationship between employers and the Bureau of Employment Security was mentioned on several occasions.

Understaffing and noncompetitive salary scales were frequently mentioned by government administrators along with complaints about too much paperwork, proliferation of programs, experimental programs without established administrative procedures, too little emphasis on preventative services rather than remedial, lack of fringe benefits and rewards for longevity to government personnel, and indifference to local problems by related state or federal agencies.

The government administrator evidenced considerable interest in the image and reputation of his agency and its top administrators, both career and political. In several cases the lack of stronger leadership and assistance from Harrisburg or Washington was lamented. Internal conflicts within and among state and federal departments and lack of coordination between related programs in different agencies as well as within individual agencies created problems at the local level.

Not only do the internal accounting and reporting systems place a large burden on many government agencies, the demands of statistical reporting, both state and federal, are felt by several agencies. Technological innovations such as the computer and teletype equipment have helped ease statistical and record keeping problems, but have not completely solved them.

Coordination of efforts with local, state and federal agencies is not the only problem of coordination. One career administrator listed 26 agencies, private and governmental, with which his program was coordinated. These relationships are sometimes complex and require a knowledge of both detailed program objectives and criteria for evaluation of success. These complexities and sophistries were nowhere more evident than in the recent programs aimed at employment of difficult to employ groups involving the Community Action Council, Public Assistance, Employment Security and Vocational Rehabilitation along with the City-County Clinic and a host of other agencies.

The relationship of the government agencies to the general public and with groups to whom special services and payments are provided was a concern to all of the administrators and elected political officials interviewed. Most of the administrators were reasonably satisfied with their efforts to inform the public of their programs. Public hearings and meetings were mentioned by several administrators as both effective and sometimes therapeutic. The role of political, union and civic organizations in helping the communication process was emphasized.

The relationship of the public agencies to the leaders of the community was evident not only in the personnel requirements of the large number of authorities active in the greater Johnstown area but also in the boards of directors for a number of agencies. The demands made upon citizens serving on such boards and committees for their time and their emotional and intellectual involvement have been and will continue to be great. The career administrator is deeply appreciative of these efforts. Citizen participation not only augments the administrator's wisdom and abilities but also serve as a valuable link in communicating information about crucial aspects of programs to the public.

The new role of urban renewal and redevelopment was stressed by most of the Johnstown leadership. Although some impatience and discouragement was expressed concerning the downtown redevelopment efforts, most leaders and experts recognized the complex nature of the work and the time required and expressed approval of the job currently being done. The impetus for and the economic consequences of the redevelopment of the Cambria City area was disputed. Many felt that new employment had not been created, only redistributed from other parts of the city. Others felt that white-collar jobs that did not exist before had been created and that the tax base had increased. Facts about the condition of housing in the area prior to redevelopment was mentioned by a few of the leaders. The collection and dissemination of factual data on renewal and redevelopment was cited as another example of a gap in needed information on local areas.

Concern was expressed about the lower income families presently living in areas where new highways or other redevelopment projects are planned. The future of these families was frequently linked to the shortage of suitable low-cost housing in the Johnstown area.

The economic significance of many of the public programs was evident to the leadership not only in services which have a direct bearing upon effective employment and on the ability to be employable, but also in the direct payments of money. In an area such as Johnstown with a high percentage of older and disabled people, payments from Social Security, Employment Security and Public Assistance comprise significant sources of income and operate as a counter cyclical influence.

Direct employment in government programs, for example the welfare and rehabilitation institutions, was also felt to have a significant economic effect on the community.

Evaluation of Leadership and the Power Structure

In view of the separation of ownership and management in the large corporation and because many of the descendants of the original entrepreneur families had moved from Johnstown or spend little time in the area, there was a tendency to identify power and leadership with community organizations or improvement efforts such as the Greater Johnstown Committee rather than with a specific class or group.

There was less association of politicians and leadership by the civic and business community than was evident in the Household Survey. Whereas two out of three respondents in the 1968 Household Survey were satisfied with community leadership, mostly identified as elected city officials, the leaders and experts, including the politicians, tended to be more critical and less satisfied.

Some persons interviewed felt that there was a power vacuum in Johnstown. Others were emphatic in looking towards recent community efforts and a new group of young experts as a new leadership base for the community.

There was a feeling on the part of many leaders, themselves members of the Greater Johnstown Committee, that the Greater Johnstown Committee was, of all civic action groups, most representative of the power structure in Johnstown. Whereas persons in other civic organizations were often from second or third echelons of management, the Greater Johnstown Committee comprised the first line of executives from the organizations represented.

Community Participation--The Voluntary Effort

The Johnstown leaders are heavily involved in voluntary efforts to improve the community. One business leader estimated that he spent one-half of his time on civic efforts. Four programs, all related to the economic development of Johnstown, were mentioned most frequently: the Greater Johnstown Committee, the Johnstown Chamber of Commerce, the City-State Partnership Program and the Cambria County Community Action Council.

The Greater Johnstown Committee

Comments and evaluation of the Greater Johnstown Committee focused upon the objectives of the group and particularly its relationship to the Chamber of Commerce. Whereas the Chamber was considered by many to be oriented towards the problems of business, the GJC was seen as helping the town and focusing on concerns of the entire community. A variety of ways in which the GJC operated were mentioned: as a catalyst to awaken government and business, to bring pressure to bear whenever problems were identified in the Johnstown area in order to move for change, to educate the public to accept ideas for change, to raise money to get political action, to supply talent for authorities and furnish advisory services, to make studies, to mobilize leadership and to prepare a master plan for redevelopment of the city through initiation and funding of a regional planning commission.

Not all the comments about the GJC were favorable. Some critics felt the initial enthusiasm and support which the GJC had received had been lost and had been replaced by apathy and contentment with the status quo. Did the GJC lack a concensus? One leader felt that it was very difficult to achieve a consensus when some members of the Committee lacked interest in certain projects. Others questioned whether, rather than complementing the activities of the Chamber of Commerce, the creation of the new group had dissipated the forces of community leadership in the Johnstown area.

There was some questioning of what efforts the GJC should now focus upon, following its efforts in regional planning and planning for highways and downtown areas. Whereas the GJC had concentrated on one project at a time, should it now broaden its objectives to include, for example, industrial development or neighborhood renewal?

The Greater Johnstown Chamber of Commerce

A number of attitudes concerning the Greater Johnstown Chamber of Commerce were expressed. The relationship of its industrial development activities to other functions such as promoting the interests of the downtown merchants was questioned. Most respondents, reflecting their dissatisfaction with industrial development efforts in Johnstown, felt that the Chamber, in the past, had been more effective in promoting the interests of businessmen than in industrial development efforts.

One respondent questioned the function of the national headquarters of the Chamber although the legislative activities of the State Chamber were not commented upon. The Chamber was praised for its efforts in collecting funds for the Johnstown Campus.

The City-State Partnership Program

This new effort, designed as a prototype of a statewide program, was begun in March 1968. It has several unique objectives: (1) to mobilize local leaders who will work in collaboration with experts from state government; (2) to expedite the release of state funds for community development; and (3) to make the presence of state officials in Johnstown a visible and tangible evidence of the state's interest and willingness to help solve local problems in a wide range of areas--problems involving housing, urban renewal, mass transit, refuse disposal, recreation, air pollution, etc.[3] Although the Pennsylvania Department of Community Affairs was the primary department represented, it proposed to coordinate its programs with those of other departments.

Many of the leaders and experts interviewed were active in the committees formed following the initial work of the state and city task forces. While most of the leaders felt that it was too early to assess what the final success of the city-state efforts would be, some felt that there had already been several noteworthy accomplishments--the creation of an awareness of the city's responsibilities in code enforcement, the creation of a low cost housing corporation, the fostering of civic participation and the development of working relationships with state agencies.

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[3] Thirteen problem areas are listed in a brochure prepared by the Pennsylvania Department of Community Affairs, "Governor Shafer's New Partnership Between the City of Johnstown and the Commonwealth of Pennsylvania."

There were reservations expressed about the nature of the state's technical assistance. Would it be possible to supply enough technical personnel sufficiently familiar with Johnstown and its problems? The need for coordination of effort at both the state and local level was also felt.[4]

The selection of citizen participants and being able to sustain voluntary efforts after an initial period of enthusiasm were also seen as problems. One man, experienced as both an administrator and politician, felt that there was definite limits as to what could be expected from voluntary participants.

The Community Action Council

The Community Action Council, conceived with the anti-poverty program, was viewed as controversial by many leaders. While recognizing the success of many of the CAC Programs, some of the leaders and experts felt that the work of the CAC had entailed some conflict with city government. Could existing agencies including neighborhood associations, have handled the tasks done by the CAC? Would the new role of the CAC necessitate a reevaluation of the Community Chest agencies? Did the CAC fail to appreciate the rules and regulations of city government, and should the CAC report to city government? In addition to these questions, the political implications of some of the CAC programs and the need for maintaining a delicate political balance were mentioned. The problem of balancing the needs of the city versus the rest of the county in administrating programs was also brought up.

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4. The first city coordinator served for approximately one month and it was not until late in 1968 that a new coordinator was appointed to serve part-time. The Department of Community Affairs also appointed a Coordinator for the Johnstown City-State Partnership Program (to coordinate the program in Harrisburg) at about the same time.

While recognizing certain controversial aspects of the CAC, most leaders praised the direction it had received locally and evaluated favorably a number of aspects of the CAC programs. The difficulty of dealing with groups who were largely inarticulate and unaware of their problems was mentioned. The function of making small towns and neighborhoods conscious of their problems was also seen. One leader stated the positive benefits of finding a way for people with grievances to make formal presentations to government in constructive ways.

Another function of the CAC was seen in serving as a conscience to local government. Lastly, some leaders saw an economic benefit to Johnstown in programs which returned a share of federal tax money to the local community.

The Role of the Unions and Other Organizations

Although the role of the unions in the community development of Johnstown was only infrequently mentioned, there is some evidence that, as in the case of the large corporations, the unions exercise much of their efforts towards betterment within the economic working environment as well as through the individual participation of union leaders on civic boards and committees.

There is considerable evidence, both from the leadership and household surveys, of the myriad of other organizations which are contributing to the social fabric of Johnstown and of the considerable time and effort being devoted by the citizens of Johnstown and its environs to the concerns of these organizations.

Attitudes Towards Johnstown

Whereas the household surveys elicited a wide range of images and ideas about Johnstown, most of which had either a neutral or negative connotation, the leadership-expert group tended to think of Johnstown in both optimistic and pessimistic terms.

The economic image of Johnstown as expressed by several respondents was that of a miniature Pittsburgh, but without the diversification of industry present in the Pittsburgh metropolitan area. The dominance of the steel mills was frequently noted as was the isolation of highway arterials (" a community caught between Route 22 and 30 and the turnpike"). Other oft cited problems of contemporary American cities were also noted--the declining tax base, the problem of downtown parking, and the resistance to increasing taxes, particularly by older people with low, fixed incomes.

While the advantages of nearby state parks and skiing, fishing and camping areas were frequently mentioned, several persons said that the potential for recreation in the area was largely undeveloped and that there was, in particular, a lack of water recreational sites.

Despite the publicity of a low crime rate, a few leaders expressed concern about increasing crime and evidence of conflict in the community.

Those leaders who commented on the attitudes of the general public in Johnstown towards the community did so in unfavorable terms. Johnstown was characterized as provincial, as "just a big small town" and as conservative and resistant or opposed to change. One person interviewed even went so far as to say that he felt that "a feeling of despair had turned to apathy." Older people and retired people were mentioned specifically as favoring the status quo.

In general there was satisfaction with the caliber of the Johnstown employee. Concern was expressed, rather, for the lack of opportunities for young people about to enter the labor force.

Positive elements which were stressed included the friendliness of the people, the low crime rate, the favorable environment for raising children in Johnstown, the natural beauty of the area, the advantages in living in a smaller city (more personal, less congestion and shorter distances to travel) and the attraction of sports and recreational activities available in the area. Optimism was expressed about the community effort of the Greater Johnstown Committee and unanimous optimism was expressed about the potential role of the Johnstown Campus of the University of Pittsburgh, and particularly in the effect that the college would have on the cultural life of the community.

CHAPTER 3

THE PUBLIC VIEWS THE JOHNSTOWN COMMUNITY

What significance do the characteristics and views of a cross-section of the population of the Johnstown Community have for our present study? What is the special import of the household in the economic development of the area? Households have a special significance for they contain the workers, the consumers, the voters, the children to be educated and the citizens in need of special services and benefits. The state of the public's desires, expectations, education, skills, health and disabilities comprise the strength of the community and tax its resources.

In addition to examining the characteristics of the people who live in the Greater Johnstown Area, the household survey taken especially for this study[1] assesses how community problems are perceived and how the community is rated. In this connection, efforts were made to determine where the public looks for leadership and how satisfied the citizens are with this leadership. How do the "average" citizen's perceptions of problems and solutions compare with those of the elite? In what respects do they differ? To what extent does the public participate in community activities? What are the public's attitudes towards the community, both favorable and unfavorable?

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[1] For further information about the survey of 691 households taken in the Summer of 1968, see Appendix A-3.

Characteristics of the Households Surveyed

Population data from the most recent Census taken by the U. S. Bureau of the Census are now almost nine years out of date. Nevertheless, these data constitute a starting point in collecting statistics from households. Concepts and definitions in conformity with those used in the Census enable comparisons to be made showing changes during the intervening years. An examination of the Census data together with data taken from four subsequent surveys,[2] one taken especially for this study, will form the basis for this report on the characteristics and views of the population of the Greater Johnstown Area.

Age

The age composition of a community is important in many respects. It has a direct effect on labor force participation. It has a strong influence on the demand for education and community services and health and welfare services. The age distribution, along with the income distribution, will affect the demand for consumer goods, housing and transportation.

The lack of economic opportunities in the Johnstown area has resulted in heavy out-migration of young adults which has resulted in an older population, smaller sized households and a high proportion of retired persons. In 1960 over 50 percent of the married couples in Johnstown and 46 percent in the suburbs[3] had husbands who were 45 years of age or over. Significant proportions of households with older heads were found in the 1968 survey--70 percent of the city households and 66 percent of the suburban households had heads 45 years or older. The distribution by age group is:

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[2] These four surveys are the 1966 Community Action Council Statistical Report, the 1966 Neighborhood Analysis Study prepared by the Cambria County Planning Commission, the 1965 Greater Johnstown Community Survey taken by The Pennsylvania State University Center for Air Environment Studies and the 1968 Greater Johnstown Community Survey taken for the present study. Six statistical tables from these surveys are presented in Appendix A-3. A list of additional tables containing data derived from the household surveys which have not been included in the report is also presented in the appendix tables. The titles of the tables are indicative of their content. Information contained in these tables are available upon request to the Institute for Research on Human Resources.

Age of Head of Household	Percent of total households	
	Johnstown	Suburbs
All households	100	100
Under 30 years of age	8	7
30-44 years of age	22	27
45-59 years of age	35	38
60 years of age and older	35	28

Size of Household and Labor Force Status

The influence of an older population is reflected in small household size and a high percentage of retired persons. About one-third of all households in both city and suburban areas in 1968 were one or two person households. Three, four, or five person households comprised about one-half of all households. Considering six or more persons to comprise a large household, 16 percent of households in the city and 14 percent in the suburbs were large.

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[3] "Suburbs as referred to in this section of the report refers to the 18 municipalities in the 1956 Johnstown Metropolitan Survey and referred to by the Census as the tracted area in Cambria County (not including Johnstown or Scalp Level). The municipalities comprise 10 boroughs--Brownstone, Daisytown, Dale (which is an enclave area within the city of Johnstown), East Conemaugh, Ferndale, Franklin, Geistown, Lorain, Southmont and Westmont and eight townships, all of which, except Richland, have common boundaries with the city of Johnstown: Conemaugh, East Taylor, Lower Yoder, Middle Taylor, Richland, Stonycreek, Upper Yoder and West Taylor.

The 1965 Greater Johnstown Community Survey, because of the way in which the sample was drawn, was less concentrated in the suburban areas than the 1968 survey--48 percent of the households in the 1965 survey were in the suburbs: 57 percent of the 1968 households were suburban. A State Planning Board estimate for 1967 places 56 percent of the population of the Greater Johnstown Area in these same suburban communities.

The relationship between the age of the head of the household and the labor force status of the head of the household is shown in the table below:

Number of Households by Labor Force Status of Head of Household

		Labor force status of head of household				
Age of Head of Household	Total	Employed Full-time	Employed Part-time	Seeking Employment	Retired	Other
All ages	691	475	22	5	165	24
Under 30 years of age	51	47	1	1	-	2
30-44 years of age	172	159	4	2	2	5
45-59 years of age	255	218	11	2	16	8
60 years of age and over	213	51	6	-	147	9

Almost one-fourth of the household heads were retired--over one-fourth in the city and over one-fifth in the suburbs. As would be expected, the average size of household of retired household heads was small--slightly over two persons.

Households in which heads were employed full-time, comprising almost 70 percent of the households, averaged four persons per household.

The range in household size varied considerably. For heads employed part-time, the range was from 1-9 persons with an average size of 3.6. In half of the 22 households there was a person other than the head working part or full-time or seeking employment. In two of the households in which the head was seeking employment there were additional members of the household working.

Households classified as "other" include households in which the head was disabled or unable to work because of dependent children and only one parent present. These households varied in size between one and nine with an average size of 2.6 persons. In seven of these households there was a full-time worker and in five there were part-time workers.

About six percent of the employed household heads were self-employed and 3.6 percent were employed at more than one job.

In addition to the 475 heads of household employed full-time, an additional 202 persons 14 years of age and over were employed full-time and 84 persons were employed part-time. Thirty-six persons in addition to five heads of households were seeking work, many very likely students on vacation during the summer.

Forty-three households had a member in the Armed Forces. Since these members were not living at home, they were not included in the statistics on household size.

Marital Status

The 1965 survey revealed that in 80 percent of the households, the respondent was married compared with 10 percent widowed, divorced or separated and 10 percent single. These percentages were about the same in the 1968 survey. In about one-half of the households in which the head was unable to work but not retired, the head was widowed, separated or divorced; five such households were one person households. About one in three of the households with retired heads were also single person households.

Education

The educational level in Johnstown appears to have improved somewhat since 1960. At that time almost 43 percent of the population 25 years of age and older had completed no more than eighth grade, 47 percent had completed at least some high school and 10 percent at least some college. Both the 1965 and 1968 surveys showed higher levels of education for the respondents--

about 25 percent in the eigth grade or under category, 65 percent in the high school group and 10 percent college educated.

The educational level of respondents living in the suburbs was somewhat higher than in the city. About the same percentage had gone to high school but 12.3 percent of the suburban respondents, contrasted with 7 percent of the city respondents, had one or more years of college.

Occupation

Reflecting the preponderance of manufacturing industries in Johnstown, and in particular the steel industry, the largest occupational grouping comprised "blue-collar" occupations such as craftsmen, foremen, operatives and laborers. This concentration is particularly noticeable for males. In November 1968 males made up almost 70 percent of the Johnstown Labor Market Area work force.

The 1968 survey, while applying only to the occupations of the employed heads of households who were almost all males, reflects the concentration of blue-collar occupations with almost 58 percent of all heads having occupations in this group. White-collar occupations comprised 37.6 percent of the total and service workers were 4.5 percent of the total. About one-fifth of the heads of households in the city were white-collar workers compared with about one-half in the suburbs, but the main significance of the occupational data lies in the mixture of both blue and white collar occupations in both city and suburbs.

Employer and Industry

The 1965 and 1968 household surveys are consistent with the 1960 Census in showing manufacturing to be the dominant industry in the Johnstown area and the primary metals industry to be the dominant type of manufacturing. Three-fifths of the employed heads of households in the city sample and one-half in the suburban sample were employed in manufacturing and 45 percent in the city and 36 percent in the suburbs worked for companies classified in the Primary Metals Industry--Bethlehem Steel and U. S. Steel Corporation.

When asked in the 1965 survey about the degree of satisfaction or dissatisfaction with their job, about ten percent of the sample respondents preferred not to answer or did not feel they could answer the question. Only small percentages answered that they were somewhat dissatisfied or very dissatisfied--about 8 percent of the city respondents and 6 percent of the suburban answerers. Almost half of the suburbanites answered "very satisfied" (versus 40 percent for city respondents) and somewhat over one-third of respondents in the city and suburban communities (41 and 35 percent respectively) gave the answer "pretty satisfied."

Income

A comparison of the family income distribution from the 1960 Census with income data from the 1965 and 1968 surveys reveals almost one-third of the families in 1960 and about one-fourth of the survey households had an annual income of less than $4,000 a year. There is evidence of increases in income within the $4,000 to $10,000 range and the percent of families with income of $10,000 or over has increased from nine percent for 1959 to 12.8 percent for 1967. However, during the same period the consumer price index for all U. S. cities rose by 14.6 percent off-setting the improvement in money income.

The high percentage of low income families reflects the high proportion of older retired persons and persons living on pensions, social security or public assistance augmented, in some cases, by part-time employment.

The income distribution for the suburban households was significantly more favorable than that for the city. Seventeen percent of the suburban households had incomes of less than $4,000 versus 32 percent in the city. Only one in 20 city households were at the $10,000 and over income level compared with almost one out of every five families in the suburbs.

Home Ownership

At the time of the 1960 Census 44 percent of the occupied dwelling units in Johnstown and 78 percent of the dwelling units in the suburbs were owner occupied. Not counting the 35 families living in public housing,[4] the 1968 survey revealed higher percentages of home owning--52 percent in the city and 86 percent in the suburban areas.

Substantial numbers of both deteriorating and dilapidated housing units were found in both the 1960 Census and in the 1966 Neighborhood Analysis Study prepared by the Cambria County Planning Commission.

Suburbanization

At the time of the 1960 Census there were 54 thousand persons enumerated in Johnstown and an additional 59 thousand persons in the 18 suburban municipalities in Cambria County for whom detailed data were collected and published as a part of Census Tract Program of the U. S. Bureau of the Census.[5] The urbanized or more densely population portion of these municipalities contained 42,500 people, a considerable increase over the 30,000 people living in the urbanized area surrounding Johnstown in 1950. Comparing the percentage of population in the 18 suburban communities in 1960 to the combined population for Johnstown and the suburbs shows that, at that time, the suburban population comprised 52 percent of the population of the Greater Johnstown Area. In the 1968 survey the comparable percentage was 57 percent revealing the continuing shift in population from city to suburb and the faster growth of the suburban population.

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[4] Distributed in the Oakhurst homes (old) -6, Oakhurst homes (new) -13, Solomon Homes -6, Coopersdale -8, Prospect Homes -2.

[5] U. S. Census of Population and Housing: 1960, Final Report PHC (1) -68. One tracted area, Scalp Level, has been omitted in order to make the area comparable with the Greater Johnstown Area used in the 1968 survey.

Ethnic Composition

In 1960 slightly over six percent of the population of Johnstown were foreign born and 22.4 percent of the population had one or both parents who were foreign born. The comparable percentages for the suburban communities were 4.3 percent and 19.1 percent. At the same time less than two percent of the population of Cambria County were Negroes and there were 4.9 percent Negroes in Johnstown and 1.2 percent in the suburbs. Eight of the 28 Census Tracts in the Greater Johnstown Area had 10 or fewer Negroes living in them (one or two families) and eight tracts had none.

The 1968 survey included 17 Negro households out of 691 or 2.5 percent. Fourteen of the Negro families resided within Johnstown. Segregated housing patterns, common to almost all American communities, were evident in the 1968 survey.

Views on Migration and Economic Opportunity

The Pennsylvania State Planning Board estimates that Cambria County lost 35,600 net out-migrants between 1950-60 and 18,100 between 1960-65. For the six county planning district which contains Cambria County it is estimated that about two out of every five of the migrants were in their twenties.[6]

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[6] The Pennsylvania State Planning Board. Pennsylvania Appalachian Development Plan, 1968, p. 119.

This out-migration reflects lack of economic opportunity. However, while the evidence points to economic factors as being of primary importance there are other factors which are evident--the lure of educational, cultural and recreational attractions in other areas and the lack of better amenities and a more pleasant environment in the Johnstown area.

Because of little in-migration into the area during the past 25 years the Johnstown community has become an area in which most people have spent either their whole life or long periods of time. Only 14 percent of the Johnstown households and 32 percent of the suburban households in the 1968 survey had spent less than 10 years in their municipality; the average residence was 27 years for city households and 17 years for suburbanites. Since 42 percent of the suburban families had moved to the suburbs from Johnstown and seven percent of the city dwellers had previously lived in a Johnstown suburb, the average length of stay in the Greater Johnstown Area was considerably higher. Those persons who did migrate to the Johnstown area--about 22 percent of the heads of households in the 1968 survey--tended to do so at an early age. They came about equally from other urban places in Pennsylvania, from rural parts of the state and from out of state.

When asked whether they had ever thought about leaving Johnstown, over three-fourths of the 1965 sample and 90 percent of the 1968 sample said they had never thought or had thought very little of leaving the area. When asked why people stayed in Johnstown, the most frequent reasons given were because of their employment, their families or because Johnstown was their home.

In the 1965 survey about one-fifth of the respondents indicated that they had thought "quite a bit" about moving and a small percentage--3.6 percent of the city respondents and 2.9 percent of the suburban sample--said that they were planning to move from the Johnstown area.

The 100 respondents in the 1965 survey who said they had thought of moving were asked to give reasons. Employment is given as the reason by two-thirds of the respondents to the question. Family reasons, dissatisfaction with "institutional services" (including poor schools, lack of recreation, poor utilities, etc.), dissatisfaction with "social climate" (including such factors as traffic, noise, slums, boredom and a desire for change), dissatisfaction with locational factors (climate, air pollution, dirt), reasons of health and related reasons were mentioned by the remaining third of the people answering.

Over one-fourth of the respondents in the 1968 survey had considered moving from the Johnstown area. Of these, almost half indicated that the reason was to improve their economic status and an additional ten percent said that an employment transfer or economic considerations were involved. The desire for a better climate or merely for a change accounted for another 12 percent while 19 percent said that either a general dislike of the area or some specific dislike prompted their considering leaving. The remaining ten percent mentioned the desire to be nearer their family or other reasons.

Eighty respondents in the 1968 survey, 11.6 percent of all respondents, had out-migrated from Johnstown and then returned. Reasons for deciding to return included:

Because of employment opportunities	--31 responses
To be near family and friends	--16 responses
Liked Johnstown better than previous place	--14 responses
Because Johnstown was home	--11 responses

When asked about knowledge of job opportunities in other areas, over 90 percent of the respondents in 1965 said that they had no or uncertain knowledge. Of the 7.5 percent who knew about jobs in other areas, over half had tried to get such a job.

However, this finding does not reflect members of the household other than the respondent nor does it take into account that only 54 percent of the respondents were employed or seeking work.

In the 1968 survey a question on employment intentions of children still in school or in the Armed Forces was asked. Forty-three of the households had a member in the Armed Forces and an additional 240 families had children 14 years of age or over in school and were willing to state an opinion on whether these household members would seek employment in Johnstown after they had completed school or their service obligation. About half the respondents were sufficiently uncertain to answer the question "Don't know." Three out of ten felt the student or serviceman would seek employment in Johnstown and two out of ten said they would not.

A higher percentage of suburban respondents (37.5 percent) felt their relative would seek employment in the Johnstown area in comparison with the city portion of the sample (27.1 percent). The respondents who thought the returning servicemen and the graduated students would seek employment in Johnstown gave essentially four reasons why--because the young men and women would wish to be close to family and friends, because Johnstown was their home and because they liked Johnstown. The fourth reason, because of job opportunities, accounted for 15 of the 67 replies.

Of the 47 respondents who said that members of the household would not seek employment in Johnstown, the lack of employment opportunities accounted for about half the replies with "area has little to offer young people," "dislike of the area," "will seek a career in the service" and "to be near the family of spouse" making up the remainder of the answers.

Views on the City of Johnstown Versus the Suburbs

Because of the trend of out-migration from city to suburban communities, the 1968 sample was asked, "What advantages, if any, are there in living in the suburbs of Johnstown (outside the city limits)?". Forty percent of the city respondents and 13.5 percent of the suburban sample felt there was no advantage. Of those who felt there was an advantage, the more pleasant environment, better services, greater cleanliness and better shopping were mentioned most frequently. Other reasons given were lower taxes, schools, housing and churches.

How do persons living in suburban Johnstown view the City of Johnstown? In order to assess attitudes towards the city, the question, "How are you and your family affected by the City of Johnstown?" was asked.

Thirty percent of the suburban respondents stated that they did not feel that they were affected by the City of Johnstown. The remaining 274 people replying to the question gave a total of 502 replies which were classified into 12 categories, the most important of which are:

Employed in Johnstown	--147 respondents
Shop in Johnstown	--123 respondents
Use medical facilities and services	--112 respondents

Other ways perceived by the residents of the suburban communities are the use of city facilities and services, through attending church in the city, through reading a city newspaper and through attending school in the city.

Identification of Local Problems

The respondents to the 1965 Greater Johnstown Community Survey were asked to rate the severity of a number of problem areas affecting urban living and to assess the effectiveness of elected officials in dealing with the problems.[7]

Each problem area was considered twice--once in connection with the Greater Johnstown Area and once for the immediate neighborhood in which the respondent lived. The same problems were used in rating the Greater Johnstown Area and the neighborhood with one exception--unemployment was considered as a problem only in the context of the metropolitan area.

Most respondents were willing to rate the problems and only a few problem areas failed to elicit at least a 90 percent response.[8] Factors affecting the extent to which the sample members rated the problems most likely included their own personal involvement, the extent to which they had been informed about the problem and their own personal interests and concerns in general.

The percentage of respondents rating the problems as very serious or somewhat serious both as problems to the Greater Johnstown Area and to their neighborhood are shown below for the city and the suburban portions of the sample survey:

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[7] The questions about problems and evaluation were: "Would you say that the problems of . . . are: __very serious, __somewhat serious, __not serious, __don't know, __no response." For those respondents checking very serious or somewhat serious, the additional question, "How good a job do you think your elected officials (mayor, city council, etc.) are doing in dealing with the problem: __very effective, __somewhat effective, __somewhat ineffective, __very ineffective, and __don't know."

[8] Government consolidation and school problems were the two problem areas which received a lesser response, although 67 percent of the city respondents and 81 percent of the suburban respondents were willing to rate them.

Problem Area	Percentage of respondents rating problem as serious: As a problem to Greater Johnstown Area: City Sample	Suburban Sample	As a neighborhood problem: City Sample	Suburban Sample
Traffic problems	68	71	39	27
Air pollution	67	66	48	31
Unemployment	66	55	--	--
Recreational areas and facilities	62	63	68	53
Government consolidation problems	44	44	20	28
Juvenile delinquency	42	37	22	19
School problems	18	15	17	18
Garbage and refuse problems	8	4	8	4
Race problems	5	7	2	--

A comparison of the rating of problems as they pertain to the metropolitan area and the neighborhood reveals both similarities and some differences. Whereas traffic problems had received the highest percentages of somewhat serious or very serious ratings, recreational areas and facilities are identified as the problem area considered most serious at the neighborhood level with traffic problems rated below air pollution in seriousness. Except for problems associated with recreation, other problems are considered about the same or significantly less serious. School problems, garbage and refuse collection and race problems receive almost identical ratings as metropolitan or neighborhood problems. Based on the finding of this survey, the general public tended to associate the problems of traffic, air pollution, consolidation, juvenile delinquency and unemployment, as they perceive them, with the Greater Johnstown Area rather than their own neighborhood.

Somewhat lower percentages of respondents in the 1965 survey ranked these same nine problems in order of their seriousness. In general, the more important the problem was considered to be, the higher the percentage of respondents who assigned a rank order of importance to it.

In considering problems facing the Greater Johnstown Area, unemployment was clearly considered to be the most important problem. Fifty-two percent of the city sample and 45 percent of the suburban sample ranked unemployment as the most important problem, higher percentages than for any other problem. The ranking of other problems (from most serious to least serious) was: traffic, recreation, air pollution, juvenile delinquency, consolidation, schools, refuse collection and race problems. The ranking for these problems considered as neighborhood problems followed the same rank order with two exceptions: respondents were not given an opportunity to rank unemployment as a neighborhood problem and recreation was ranked above traffic as a more serious neighborhood problem.

Comparisons between this summary and the data on percentages reporting problems as serious are difficult to make because the percentage indexes combine persons rating problems as "somewhat serious" and "very serious" and neglect to distinguish between ratings of "not serious," "don't know" and "no response." Both sets of data show conformity between the city and suburban samples in rating problems facing the Greater Johnstown Area and show recreation problems more highly associated with the neighborhood rather than with the Greater Johnstown Area.

Unemployment emerges as a more important problem, relative to other problems, using the ranking technique.

In addition to rating and ranking specific problem areas, the respondents were asked if there were any other problems which they could think of which were facing the Greater Johnstown Area or their neighborhood. About one-fourth of the sample mentioned one or more additional problems which were classified into six groups. The lack of recreation and the need for better municipal services (transportation, police and fire protection, etc.) accounted for the largest group (100 responses) with the need for more urban renewal and redevelopment second (25 responses) and the need for more job opportunities third (23 responses).

In the 1968 survey the respondents were given a list of 12 problems[9] and were asked which they considered to be most important to the Johnstown area including their own community.

The percentages of respondents mentioning each problem are shown below together with the ranking of problems for the entire sample and the city and suburban portions:

Problem Area	Percentage of all respondents mentioning problem	Rank order of problem Total sample	City	Suburbs
Lack of employment opportunities	49	1	2	1
Housing	42	2	1	4
Air pollution	40	3	3	2
Taxes	38	4	5	3
Transportation and parking	36	5	4	6
Government consolidation	29	6	9	5
Cultural and recreational	26	7	6	7
Unattractiveness	17	8	8	8
Schools	15	9	7	9
Sewers	7	10	11	10
Race Relations	7	11	10	11

As in the 1965 survey, lack of employment opportunities is ranked high as a problem to the Johnstown area--56 percent of the suburban respondents and 39 percent of the city sample identified it as a problem.

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[9] The question was worded, "Some American cities face problems of transportation, housing, air pollution, race relations, schools, poverty, etc. What do you consider to be the most important problems in the Johnstown area including you community?". Eleven specific problems were listed and an additional space was given for "Other (specify)."

Three new problem areas, not asked about in the 1965 survey, were mentioned by significant proportions of the respondents--housing, taxes and the unattractiveness of the area. Transportation and parking were ranked somewhat lower than traffic problems were in the earlier survey. Cultural and recreational problems is ranked lower than recreational areas and facilities was in the 1965 survey. Juvenile delinquence, which was not asked as a specific problem area, was mentioned only a few times as an additional problem.

Suggested solutions to problems tended to be vague and general, for example: improve employment opportunities, increase supply of housing, etc.

Knowledge of and Reactions to Community Efforts and Issues

Johnstown, like mary cities its size in Pennsylvania and the nation, has been actively involved in recent years in efforts to renew and redevelop its blighted areas, in developing city planning and in promoting economic development in the area. In addition, like many third-class cities in Pennsylvania, it has considered a change from the present mayor-council form of city government. It has also been involved in the issue of consolidation of suburban municipalities with the city and in Office of Economic Opportunity programs administered by the Cambria County Community Action Council. To determine the knowledgeability of the general public about such current issues and programs, respondents were asked if they had read or heard about each of seven recent efforts. Respondents having heard or read about an issue or effort were asked whether their general reaction had been favorable, unfavorable, or neutral.

As shown in the table below, the percentage of respondents in the 1968 Community Survey who stated knowledge of the effort varied from 39 percent for the City-State Partnership Program to 92 percent for the consolidation issue. The percentage of respondents reacting favorably to each of the efforts has been expressed as a percentage of all respondents (691) and as a percentage of those respondents having knowledge of the issue or program.

Activity or Effort	Percentage of all respondents		Percent of those knowing whose reaction was:	
	Knowing of the effort	Reacting favorably	Favorable	Unfavorable
Consolidation	92	57	62	18
Urban renewal and redevelopment	89	65	73	9
Efforts to fight poverty	84	66	78	9
Change in form of city government	59	23	40	13
Greater Johnstown Committee	55	26	40	4
County Planning Commission	41	20	48	3
City-State Partnership Program	39	21	54	4

Only three of the programs or proposals--efforts to fight poverty, urban renewal and redevelopment and consolidation--received over 50 percent favorable response from the entire sample. Considering only those knowing of the program or effort, the City-State Partnership Program, least well known of the programs, received over 50 percent approval and the Cambria County Planning Commission had close to 50 percent favorable reaction. The Greater Johnstown Committee and the efforts to change the form of city government received about 40 percent approval of those knowing about them, the later issue together with the consolidation issue had significant unfavorable reactions.

Knowledge and Assessment of Leadership

When asked the question in the 1968 Community Survey, "In your opinion, who are the most important leaders in the Johnstown area?" forty percent of the sample respondents--34 percent in the city sample and 45 percent in the suburban sample--were unable to answer the question or declined to do so.

Of the respondents who answered the question, between one and eight leaders or leadership groups were mentioned, sometimes by name and sometimes by title. The average number of leaders mentioned was 2.2.

In the identification of community leaders, the overwhelming percentage of responses were elected city officials or politicians prominent at the county or state level or representing Johnstown in the U. S. Congress. The Mayor, either by name or office, was mentioned most frequently, while the Mayor and Council was mentioned next most often.

Only a small percentage of respondents--less than 10 percent--mentioned businessmen, religious leaders, school officials, government administrators or planners.

When asked whether they were satisfied with their leadership, about one-half the respondents said that they were and the remaining half were about equally divided between being dissatisfied and expressing no opinion. Reasons for dissatisfaction included general rather than specific reasons, such as "Not active enough," "Not dynamic enough," "Too self interested" and "Lacks qualifications."

Participation in Community Programs

One-fourth of the respondents in the 1968 Greater Johnstown Community Survey indicated that they or another member of their household had been active in one or more community programs during the previous year. The ratio of households with members active in only one program was about the same in the city and suburban samples--one in eight households. However, suburban households were twice as likely to be active in two or more programs--14.2 versus 6.4 percent. A comparison of the extent to which households in the samples were involved in community programs is shown below:

Number of Programs in Which Active	Number of Households
None	526
One	90
Two	48
Three	18
Four	7
Five	2
TOTAL	691

An analysis of the 274 programs mentioned reveals a wide variety of programs and organizations including child-related programs (Boy Scouts, Girl Scouts, Teen Canteen, sports groups, school and playground groups, etc.), neighborhood associations (homeowners against taxes, preparing petitions to lower taxes, community betterment and action groups), fraternal and recreational groups, cultural groups (Symphony Committee, Arts Council, etc.), groups collecting funds for charitable purposes, and groups doing volunteer medical, rehabilitation or civic work such as the City-State Partnership, stream improvement program, the Greater Johnstown Committee, and community action councils. Other organizational activities included Labor Unions, volunteer fire departments, businessmen's associations and political organizations.

Of the 526 households not involved in community programs 250 felt they would like to be involved although 179 of the respondents were not able to specify, at the time of the interview, the type of program.

Of those respondents who did mention one or more community programs of interest, the following types of programs were mentioned:

	Number of Households Interested
Cultural or recreational	28
Church or youth related	37
Poverty programs	18
Neighborhood	5
Urban renewal	3

Attitudes Towards Johnstown

Both the 1965 and 1968 Community Surveys included the question, "In general, how would you rate the Johnstown area as a place to live?". The results, tabulated for city and suburban respondents were as follows:

Rating of the Johnstown Area

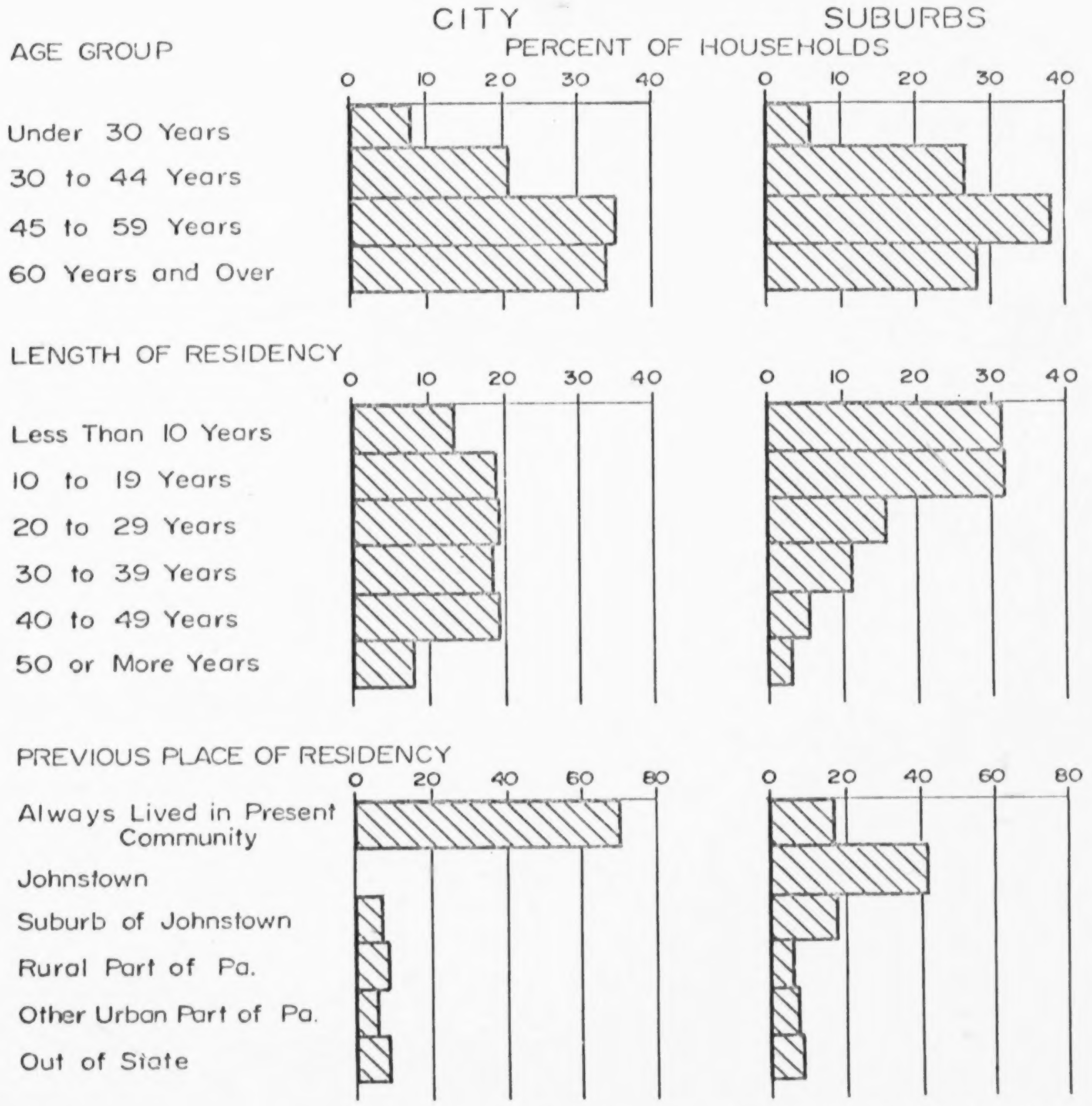
	Percentage of Respondents			
	1965 Survey		1968 Survey	
Rating	City	Suburbs	City	Suburbs
TOTAL	100	100	100	100
Excellent	11	15	7	13
Good	44	47	55	55
Fair	36	33	31	28
Poor	7	3	3	3
Very Poor	2	2	3	1
No Response	--	--	1	--

Although there were smaller percentages rating the Johnstown area as an excellent place to live, the percentage of respondents giving a rating of good was higher producing an increase in the proportion of both city and suburb dwellers who view the Johnstown town favorably.

In the 1968 Survey the respondents were also asked to rate the City of Johnstown as a place to live. The results were significantly less favorable with only 54 percent of the city residents and 25 percent of the suburbanites giving favorable ratings.

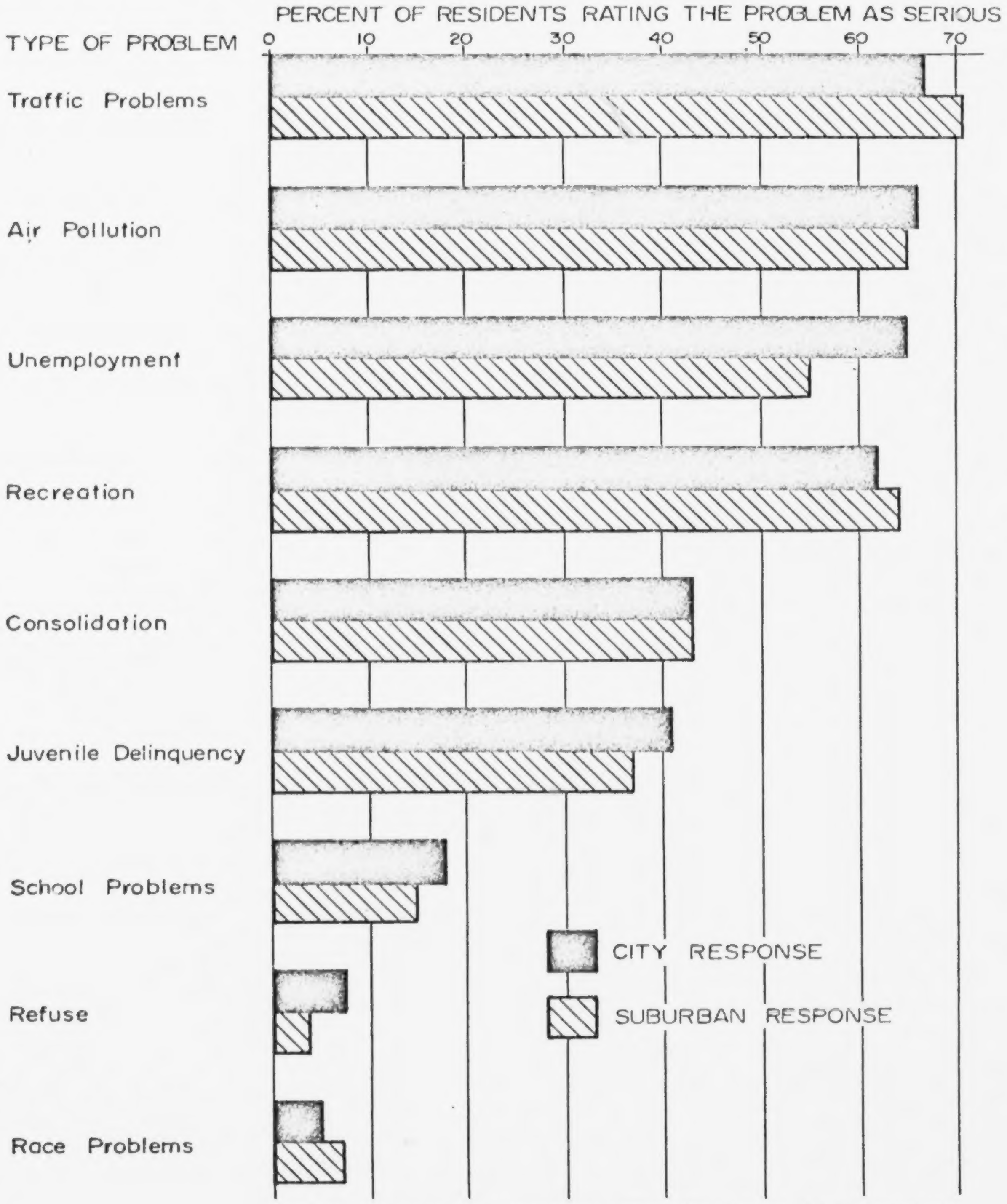
The people taking part in the 1965 Survey were asked what things they liked and disliked about living in the Johnstown area. Most of the things liked were also mentioned as being disliked, in effect cancelling out any net balance. Most of the things disliked were problems common to most American cities. One factor which only appeared as a quality liked and which was mentioned frequently was the friendliness of the people in the Johnstown area.

FIGURE I.
LENGTH OF RESIDENCY, AGE, AND PREVIOUS PLACE OF RESIDENCY OF HEADS OF HOUSEHOLDS IN THE 1968 GREATER JOHNSTOWN SURVEY.



Source: 1968 Greater Johnstown Community Survey (691 respondents; 298 in Johnstown and 393 in Suburbs.)

FIGURE 2.
1965 SURVEY RESPONDENTS RATING PROBLEMS AS SERIOUS TO THE GREATER JOHNSTOWN AREA.



Source: 1965 Greater Johnstown Community Survey (436 respondents; 226 in Johnstown, 210 in Suburbs.)

PART III

THE ROLE OF GOVERNMENT IN THE LOCAL ECONOMY

THE ROLE OF GOVERNMENT IN THE LOCAL ECONOMY

The preceding section of this report analyzed the views, attitudes and aspirations of community leaders, executives and the general public as they might relate to economic development and improvement of the Greater Johnstown Area. A major institution through which these views and aspirations may be expressed and one which has an important bearing in area economic goals in the local government. This section of the report examines the governmental structure in the metropolitan area and the financial experience and potential of the Johnstown City Government. It also reviews the availability of essential public services for economic development and the implications of separatism versus consolidation of local governments.

Although this section of the report concentrates on the local government it is recognized that community economic growth and stability, whether measured in expanded employment and increasing employment opportunities, rising payrolls and greater buying power to support markets and improve living standards, or reduced unemployment and greater absorption of increased population and labor force in local jobs, must be traced to a wide variety of contributing factors. Traditionally economic vitality and business dynamism have been largely attributed to the influence of the private sector of the economy. There can be no doubt that the private sector, reflected in the activities of business enterprise, holds the key to the economic future of any area or region.

Business decisions, critical to the economic life of the area, often turn on the character and role of local government. Both the location and expansion of business and industry are determined to a considerable degree by actions or inactions of local government. Among these are such prime requisites as (1) availability of community facilities and utilities, such as water supply, gas and electric power, police and fire protection, sewage disposal, local transportation, and streets and parking accommodations, (2) education and training facilities--from elementary schools through post-high school, including junior colleges and technical institutes, as well as vocational training institutions, and (3) cultural and recreational resources, including parks, swimming pools, playgrounds as well as facilities for theatre, arts, music and lectures. Obviously the kind of local government and the extent to which citizens actively participate in its activities will be reflected in the extent to which these requisites exist in the community. In this connection, tax outlays and other public costs of doing business must be taken into account. These considerations require a careful examination of local government in Johnstown.

Metropolitan growth in the Johnstown area has placed heavy demands on the governmental structure to meet new and expanding local and area code needs. One response has been a great increase in the number of local units of government. The immediate Johnstown urban area is fragmented into 18 different municipalities, including boroughs and townships. Within a five mile radius of city hall there are five different school districts and 17 school districts in the metropolitan area. Furthermore, there is no central authority for water, sewage, and recreation and the decentralization. The fragmentation appears unmanageable.

Considerations of economic growth and stability and industrial diversification dictate some form of government or some greater cooperative efforts among municipalities to find solutions to problems that cross the municipal boundaries. On its own merits there are three basic reasons for advancing this position.[1] First, there is some evidence that an integrated approach to area-wide problems is more economical and more efficient per unit of service provided. Highway construction, sewage disposal and water services are examples. Second, there are a number of problems which are not being met adequately or at all for a lack of a metropolitan approach. Recreational needs and air pollution are two in this category. Third, experiences in the past indicate that some problems are of such importance that state and federal governmental agencies will move in to fill the vacuum. Thus, local control will be lost. In Pennsylvania, school districts have been forced to consolidate, sometimes without their consent. This forced consolidation came only after the Department of Public Instruction could not convince inefficient and expensive districts to improve their situations. Municipal governments can expect the same governmental pressures.

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1. Committee for Economic Development; Guiding Metropolitan Growth, New York, New York, 1960.

CHAPTER 4

LOCAL GOVERNMENTAL STRUCTURE

The Commission Plan

Important to the functioning of local government is its structure. In Pennsylvania Senate Bill 229, passed in 1957, cities of the third class, which includes Johnstown, have the option of one of three forms of government. The forms include: The commission plan, the mayor-council plan, or the council-manager plan. Each has strengths and weaknesses which will be dicussed elsewhere in the report.

The City of Johnstown operates under the commission plan. It frequently is referred to as the "weak mayor," a reflection on the powers granted the mayor under this form. The commission plan in the Commonwealth of Pennsylvania provides for four councilmen and a mayor who are elected at large for four-year terms. Only the candidate for mayor runs for a designated office; he becomes the Director of the Department of Public Affairs. Each of the remaining councilmen become heads of one of the city's four other departments, namely, the Department of Accounts and Finances, the Department of Public Safety, the Department of Streets and Public Improvements, and the Department of Parks and Public Property.

The mayor, two councilmen, the controller, and a treasurer are elected at one election; the other two councilmen are chosen at alternate municipal elections.

Under the commission plan the powers of the mayor are no different from those exercised by any other member of the council. While he is described as the chief executive of the city he has no veto power or power of appointment or control over the budget. The mayor can request quarterly reports from each director and he can also bring information to the attention of the other council members, but he is actually the chief executive of only the Department of Public Affairs.

The mayor and the four councilmen together comprise the council and have the power to appoint and remove nonelected city employees. The council is the city's legislature and, in addition, each member of the council is the administrative head of his department; thus, each council member serves simultaneously in the executive, legislative and administrative capacities.

It should be obvious that the form is not as important as the elected officials who must operate it. Yet, it is conceivable that one form might utilize personnel to a better advantage than the others. All of Pennsylvania's third-class cities have been governed by the commission form of government. However, since the optional third-class city charter law was passed in 1959 there has been a move toward other forms. Bethlehem, Sharon, Erie, and York have made the transition to the mayor-council plan. The change can be made only with voter approval. In the past ten years Johnstown voters have twice refused to change the structure.

The Mayor-Council Plan

In 1959 the mayor-council plan was in effect in 50 percent of all cities in the United States with a population of more than 5,000 and in 16 of the 17 cities with a population of more than 500,000.

This is the oldest form of city government in the United States, with its origins in the colonial period. This plan is also known as the "strong mayor" plan. On many occasions the mayor-council form of government has been introduced as a result of a reform movement; on many occasions it has been the victim of a reform movement.

A city governing itself under the mayor-council plan as set forth in Act 399, as amended, could elect a mayor and five, seven, or nine councilmen, a treasurer, and a controller. These officials would be elected for four years.

Under the mayor-council plan, the council is legislative only, and no member of the council may be the head of a department. (Under the commission form, now in Johnstown, councilmen are department heads.) The council's principal function is to make laws. It also has the power to investigate the conduct of any department of the city government; it can determine how appointments are made to the various boards and commissions; and it must pass upon the city's budget as well as supervise the controller's management of the city's finances. In addition, the council may retain a certified public accountant for annual audits of all city accounts.

The mayor is the chief executive officer of the city. He is responsible for the enforcement of the city's charter and its ordinances. He is required to report annually to the council and the public on the work of the previous year. He is also responsible for bringing problems to the attention of the council.

The mayor may attend council meetings and participate in the discussion, but he has no vote on legislative matters. The president, elected by the councilmen presides. The mayor may veto ordinances but his veto may be overridden by a two-thirds vote of the council.

With the advice and consent of the council the mayor is to appoint or remove the heads of the various departments. The department heads in turn may appoint or remove employees within their departments with the approval of the mayor. The law permits a maximum of nine departments.

Under the mayor-council plan a city may establish a department of administration which would aid the mayor in preparing his budget, administering a centralized purchasing agency, and performing any other duties assigned to it by the council or the mayor.

The department of administration would be headed by a business administrator who would be appointed by the mayor with the advice of council. The law requires that he be chosen on the basis of his executive and administrative experience and that like other department heads, he is to be responsible to the mayor.

The Council-Manager Plan

The newest of the forms of city government is the council-manager plan. This plan is less than 50 years old and has been adopted by more cities in recent years than any other plan. A part of the popularity is related to the enthusiasm it has generated among reform groups.

A city governing itself under the council-manager form as prescribed in Act 399 of the Pennsylvania Legislature, would elect a council of five, seven, or nine members, a treasurer, and a controller. The council would be chosen for four-year terms.

Under the council-manager plan, it is the responsibility of the council to determine all policy matters. The council is the legislature, making the laws and passing on the budget. It also has some administrative control by virtue of its powers to create the necessary executive and administrative departments and to prescribe their duties. The council can also establish committees to investigate the conduct of any officer or department of the city.

Under this plan, the office of the mayor is more an honorary title than an office vested with actual power. The mayor is chosen by the council from among its members and presides at all the meetings. He has only the same power as any other council member. With the controller, he executes all written obligations on behalf of the city and by custom he usually represents the city at civic functions.

The city manager is to be chosen by the council solely on the basis of his training and experience in problems of municipal government. The manager need not be a resident of the city at the time of his appointment but he can reside outside the city after his appointment only with the permission of the council.

The city manager is the chief executive and the administrative official of the city; he is empowered to enforce all laws and ordinances of the city. He has the power to appoint or dismiss all department heads and their subordinates. Where he delegates such power to a department head, he is required to report any appointments or removals to the council. However, the council has only the power to acknowledge the action. Where council authorizes the manager to retain a deputy, the manager has the authority to select and to dismiss.

The manager may negotiate contracts for the subject to the approval of council and he is charged with the responsibility of protecting the interests of the city in all its contracts. He may attend council meetings and recommend legislation, but he has no voting power.

The responsibility of preparing the city budget for consideration by council falls to the city manager. He is required to keep the council informed on the financial conditions of the city and on any other problems the council requests. He is obligated to make an annual report to the council and the public.

The city manager is hired for an indefinite term of office but he may be removed at any time by a majority vote of council.

The law provides that a manager may request and receive a public hearing on the question of his removal; however, the final decision on retaining the manager rests with council.

Conclusion

No form of government can compensate for inefficient or incompetent public officials. Assuming that competent people will be available and elected to public office one form may make the officials job less arduous than other forms. There are obvious strengths and weaknesses in each of the three plans available to third-class cities in Pennsylvania. The City of Johnstown town has twice appointed Charter commissions to study alternate plans. Twice the commissions have recommended and had placed on the ballot for voter approval the adoption of either the "strong mayor" or "council-manager" plans. In both cases the vote was overwhelmingly against change. Despite no opposition on the part of either political party and the approval of the local news media the new governmental form was not "sold" to the voters.

Interviews conducted as a part of the survey and cursory inspection of answers on the household survey taken in conjunction with this study indicate that the voting populace was neither interested or informed about governmental structures and alternations. Most Johnstown residents had little knowledge and less interest in the attempts to change the form of government in the city.

These considerations merit close examination in any analysis of the structure of city government:

1. Since the city cannot appoint another charter commission until 1971 every effort should be made to make the present commission form as effective as possible. (A charter commission can only be appointed every five years.)

An organization such as the Pennsylvania Economy League might be requested to study the position classification and the need for qualified city coordinator to strengthen the existing commission form of local government.

2. Continual study of the strength and weaknesses of each form should be instituted. This can be accomplished at no cost to the city. Volunteer organizations such as the League of Women Voters could and would be able to serve in this capacity.

3. If it is apparent to community leaders that a change will be of benefit to the city and the area, a much more effective educational campaign must be carried out. This is possible and necessary if a change is to be made.

4. Although a change may be desirable, especially since it may make the city government more acceptable to some of its neighbors and enhance cooperation, the present structure of government is not a major obstacle to the city or the area in its efforts to solve its problems or in serving the needs of the citizens. The city government needs to continue its present policy of utilizing the most competent and effective citizens of both the community and area on boards, commissions, and authorities. The present city-state partnership has enlisted the support of community leaders and workers. Their services and involvement are necessary under any form of government and particularly under the commission plan. One of the criteria for effective local government is its accessibility to and control by the people. Another of the criteria is the provision for active citizen participation in local government. The present governmental structure in Johnstown makes this accessibility and participation possible.

5. Finally, a consideration applicable to all governments at all levels, is the need in the Johnstown area to give some thought to the public relations aspect of government. This is not to suggest political propaganda or "Madison Avenue" pressure;

but rather to explain the functions, the capacities, and problems of local governments. This is most difficult when the attention of the citizens is divided and diverted by a multitude of interests. Yet it can contribute to more effective government and more satisfactory provision of services.

CHAPTER 5

FINANCIAL EXPERIENCE AND POTENTIAL OF THE JOHNSTOWN CITY GOVERNMENT

The central problem for the Greater Johnstown community is to help individuals adjust to economic adversity which comes through no fault of their own. Although the primary responsibility rests upon the individual it is recognized that the economy is so interdependent that no one can truly be self-sufficient. Thus a supporting responsibility falls upon society, specifically, the Johnstown society, acting through voluntary agencies, business organizations, and the local government.

The objectives, then as stated, must be (1) to increase the ability of individuals to qualify for and to find employment in this area and elsewhere, and (2) to increase the number of jobs in the Johnstown labor market area. The emphasis cn this section of the report is on the role of the local government in providing essential services to business and industry to contribute to the provision of job opportunities.

If Johnstown is to retain its business and industries, encourage expansion, or attract new employing establishments, it must provide essential services. Because provision of community and public services are costly, it is important that consideration be given to the financial capacity of the local government and the extent to which it may be tapped to provide such services. This section is concerned with the ability and willingness of the local governments to provide required services. The financial ability and allocation of funds of the Johnstown government is reflected in an analysis of city budgets extending over the period from 1956 through 1968. Some consideration of budgets of other municipalities is included. The data covers revenues collected, expenditures, and debt structure. Specific services including police services, fire protection, sewage systems, street paving and maintenance, recreational and cultural facilities, and government financing will be analyzed.

The budget data were collected from the Financial Reports of the Director of Accounts and Finances and the City Controller for the period between 1956 and 1967 inclusive. The 1968 data have been drawn from the proposed budget of the City of Johnstown submitted in council on December 19, 1967. City tax ordinances have also been consulted. Figures for municipalities other than Johnstown have been collected from the annual reports prepared by the Department of Internal Affairs, Harrisburg, Pennsylvania.

Revenues

Table 1 summarizes municipal revenue experience for 1962 and 1967.

The sources of revenue and the rates to be levied by cities, boroughs, and townships in Pennsylvania are prescribed by the laws of the Commonwealth. However, third-class cities have broad taxing powers. The following are the available sources.

Real Estate Taxes. Johnstown is empowered under the Third Class City Code to levy taxes on real estate for general and special purposes. The levy and breakdown for 1968 is:

(a) Twenty-one and one-half mills (21 1/2) on the dollar or two dollars and five cents ($2.05) on the hundred dollars of assessed value of all real property within the City of Johnstown for general revenue purposes.

TABLE 1

FINANCIAL STATUS OF THE JOHNSTOWN CITY GOVERNMENT
1962 AND 1967

(in Thousands of Dollars)

	1962	1967
Total receipts[a]	2,993	3,047
Total net taxes collected	1,680	2,012
Total miscellaneous revenue	611	810
Total nonrevenue receipts	681	1,420[b]
Total expenses	2,991	4,199
General Government	284	221
Protection to persons and property	888	1,105
Police	394	516
Fire	489	575
Other	4	14
Health and Sanitation	238	269
Garbage collection and disposal	183	206
Other	55	63
Highways	396	477
Engineering	89	65
Streets and bridges	242	348
Street lighting	65	65
Recreation	138	190
Airport	14	9
Library	36	36
Debt service	277	213
All other	124	141
City assessed value	76,404	77,226
Tax millage (mill rate)	17.5	17.5
Real estate tax collected	1,263	1,268
Borrowing capacity:		
Bonded debt at end of year	1,225	850
Remaining borrowing capacity with voter approval[c]	5,348	7,723

[a] Includes January cash balance of each year.

[b] Not included in total receipts.

[c] With voter approval, indebtedness may be 7 percent of assessed value 1962-1966; 10 percent of assessed value in 1967.

Source: City of Johnstown financial report.

(b) Two (2) mills to be applied to the payment of the interest and the principal, for the gradual liquidation of the bonded indebtedness of the city.

(c) One and one-half (1 1/2) mills to be applied to the interest and one-fifth of the principal of the short-term indebtedness of the city.

(d) One-half mill for the maintenance of the Cambria Public Library.

Real estate taxes provide the largest percentage of the City's budget. The yields are related to the property values within the city and the relative stability of the amount yielded each year reflects the city's lack of new construction and property deterioration. Yet in 1967 real estate taxes provided 45 percent of the total taxes collected. In 1968 it will amount to 50 percent of the total. The increase from $1,267,720 in 1967 to $1,888,670 is the result of a tax increase from 20 mills to 24 1/2. A change in the state law permitting an increase in the levy for general purposes from 15 to 25 mills in 1967 gave the city the opportunity to raise more money. They can increase the rate another four and one-half mills if necessary. With court permission even this rate can be exceeded.

Act 481 Taxes. Under legislation passed by the Pennsylvania legislature in 1967, third class cities are empowered to tax a variety of sources not taxed by the state up to limit equivalent to 15 mills of the assessed valuation of real property. Johnstown now uses these sources:

(a) Earned Income Tax. Since 1948 the city has been collecting an earned income tax on salaries and wages. The levy can be one percent of the gross salary and wages but if levied by the school district it must be shared since it cannot exceed one percent. The city then collects one-half percent from all employed persons living in the city and those employed in the city and living outside provided the municipality in which the worker resides does not levy the tax. Most municipalities now collect it from their residents.

Since its collection the earned income tax has provided the city with sums ranging from a high of $513,689 in 1957 to a low of $329,166 in 1961. It has averaged from 10 to 12 percent of revenues collected. The wide variation indicates the instability in the economy and the decreases are consistent with the city's declining population, especially in the economic productive age groups.

(b) Mercantile Tax. The mercantile tax is levied at three-quarter mills on the dollar of the volume of business transacted by wholesale dealers and one and one-half mills on retail trade. This tax yields a relatively stable $180,000 average per year. It is of interest to note that despite employment slumps and the competition from suburban shopping centers the mercantile tax collection has not decreased appreciably. It has shown little sign of increase, however.

(c) Business Privilege Tax. The business privilege tax is levied on those persons selling services to the public, at a rate of one-half mill on the dollar. The yield ranged from the low in 1956 of $15,967 to a high of $37,337 in 1958.

(d) Occupation Tax. After three years of testing cases in the Superior and Supreme Courts of Pennsylvania, the city was able to pass an occupation privilege tax that levies $10 on every person who works in the city. The 1968 budget estimate from this source is $275,000.

(e) Real Estate Transfer Tax. The real estate transfer tax is levied at one percent of the gross value of real estate sales within the city. It was first enacted in 1961 and yielded $28,560. However, in 1962 the school board levied the same tax, thus, cutting the city share to one-half percent.

This does not exhaust the available sources, as is evident in the earlier listing of possible revenue sources. The mercantile tax could be increased by one-fourth mill, a per capita tax could be levied, an admission or amusement tax could yield $15,000, and trailers could be taxed.

Licenses and Privileges Taxes. The return from the beverage license tax is a refund from the Commonwealth based upon the liquor licenses issued in Johnstown. The city's share is approximately $55,000 per year.

Regulatory Activities. The amounts collected are listed under departmental earnings. In 1960 the city passed an ordinance establishing rates for permits based on construction value ranging from two dollars per $1,000 to fifty dollars per $100,000 improvements.

Revenue Producing Activities.

(a) Water Company. In 1963 the City of Johnstown joined with Westmont and Southmont Boroughs to form a Water Authority for the purchase and operation of a water company. The purchase was made from the Bethlehem Steel Corporation. The Authority has contracted with the Laurel Management Company to operate the facility and to provide the services. Since the acquisition of the water company, rates have been reduced. The company provides water to both homes and industries in the Johnstown area.

(b) In 1960 the City of Johnstown reactivated the Municipal Authority and by resolution directed the Authority to construct and operate a sewage disposal plant and system. Although created by the city, the Authority was designed to serve areas outside the city. Members were appointed to the Authority from Richland, Westmont, and Southmont, as well as from the city. Eleven municipalities and the Bethlehem Steel Company were eventually tied into the system that began operation in 1962.

(c) Recreational Facilities. The City of Johnstown owns and operates the Point Stadium and the Berkely Hills Golf Course. The Point is used for football and baseball by the local high schools and for the city recreation program. The money collected ranges from $6,000 to $12,000 per year. The golf course has increased in popularity and collected $38,000 in 1967. It should be pointed out that none of the revenue producing activities show a consistent profit. Their function is to make services available and not to make money. A third facility is in the Band Shell in Roxbury Park. It is available for concerts, plays or lectures, but rarely used.

Service Charges. In 1963 Johnstown imposed a garbage collection fee of ten dollars per year per residence. The amount collected from this service charge is the equivalent of approximately two mills of real estate taxes or $150,000.

A ten dollar service charge was levied for use of police cruisers for ambulance services.

Special Assessments for Street Improvements and Laying Water and Sewer Lines. The city has made collections for sewer tapping fees. This is restricted to the costs of connection and is not a source of revenue that can be utilized for other purposes.

Grants from the State and County and Federal Funds. Not all of these funds are shown in the city budget. A federal grant for construction of the sewage disposal plant in 1961 was made directly to the Municipal Authority. The federal and state contributions to redevelopment are made directly to the Redevelopment Authority. A list of federal grants made within Cambria County will be included in the Appendix.

Fines and Forfeits. Fines can be collected for the violation of city ordinances. The high was reached in 1966 with the collection of $94,383 by police court.

Receipts for a six-year period from 1962 through 1967 are summarized in Table 2.

Expenditures

Total expenditures for Johnstown reached their peak in 1967 when the total reached $4,199,098. This was an increase of 40.4 percent from the 1962 total of $2,991,369. Operating expenses were up 16 percent in six years; and debt service decreased from $276,624 to $213,229 or 22.9 percent.

The increase in total expenditures was caused primarily by higher operating costs and capital outlays. The increased operating costs result from increases in material costs, higher wages and salaries, and improved fringe benefits for employees.

TABLE 2

MUNICIPAL GOVERNMENT REVENUES AND EXPENDITURES COMPARED, CITY OF JOHNSTOWN, 1962-1967[a]

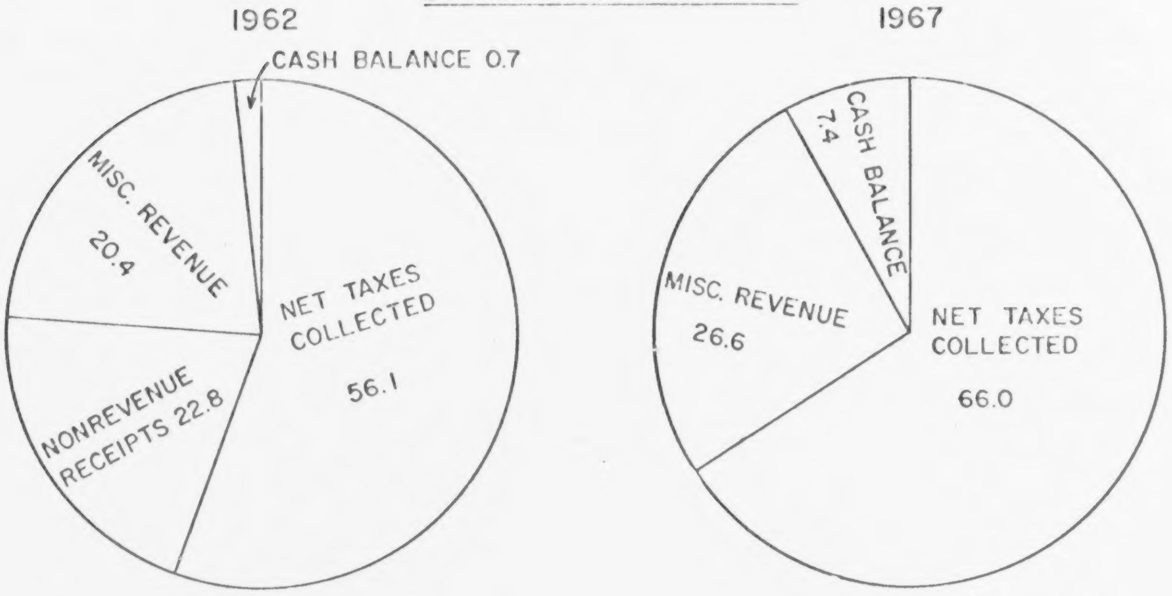
Year	Revenues Collected	Expenditures	Percentage Change	
			Revenues	Expenditures
1962	2,972,365	2,395,311	--	--
1963	2,382,274	2,444,877	-19.85%	+2.06%
1964	2,641,400	2,494,869	+10.87%	+2.04%
1965	2,742,874	2,655,871	+3.84%	+6.45%
1966	2,809,278	2,842,856	+2.42%	+7.04%
1967	2,822,601	2,779,098	+.47%	-2.24%

Source: City of Johnstown financial report.

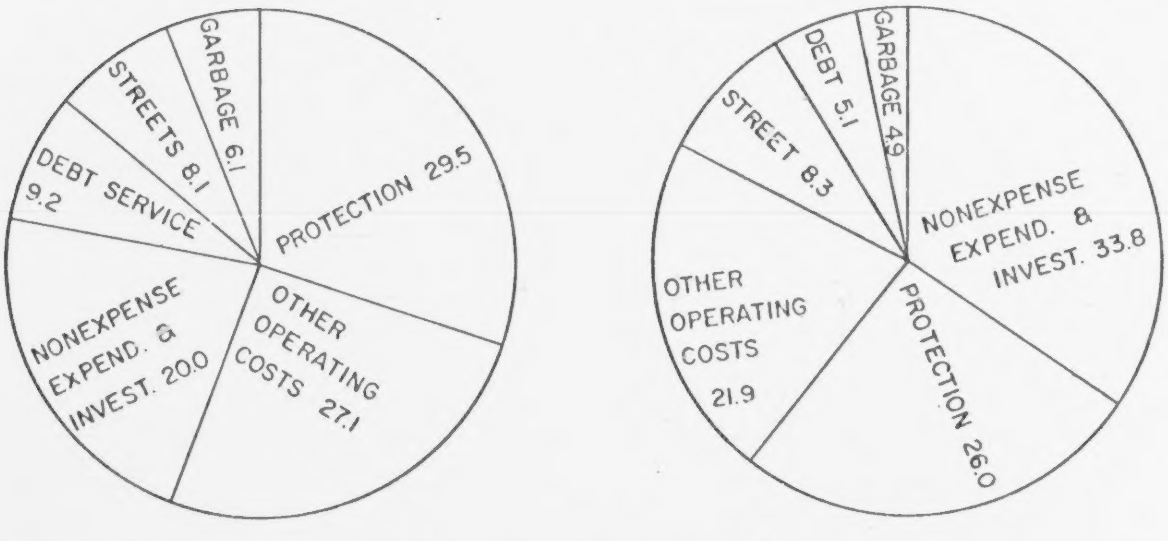
[a] Nonrevenue receipts and January cash balance not included.

FIGURE 3.
CITY OF JOHNSTOWN FISCAL ANALYSIS
(IN PERCENTAGES)

SUMMARY OF REVENUE



SUMMARY OF EXPENDITURES



SOURCE: CITY OF JOHNSTOWN FINANCIAL REPORT.

Resume

In reviewing the financial reports of the City of Johnstown some generalizations are obvious. Over a six-year period the major source of the city's revenue has been the real estate tax. Property values thus are a factor in available receipts. An inspection of assessed valuations of real estate over the years indicates that in a period of expansion and inflation property values in the city have shown no increase. Forty years ago, in 1928, the assessed valuation in the city was $79,964,770. In 1968 the assessed valuation was only $75,929,165. The failure of the city to promote new construction is one of its major problems. New construction must be encouraged to support a sound tax base.

A second major source of income for the city has been the Act 481 taxes, specifically, the earned income tax. It is significant that the earned income tax reached its peak of $513,698 in 1957; the low was in 1961 when $329,166 was collected; and in 1968, $400,000 was budgeted. The area's economic woes are reflected in these statistics. They show that in a period of economic expansion Johnstown has not received its share. The "vicious circle" is obvious. To hold and attract business and industry the city must provide services; services cost money; the sources from which revenues can be obtained are not increasing. Thus, new sources must be found.

Mercantile taxes, beverage licenses, and business licenses have remained relatively stable over a twelve-year period. Again, the failure of businesses to expand is reflected in these data.

Two new sources that have been utilized are the occupation tax and the garbage collection fee. The occupation tax, levied in 1964, now provides approximately $275,000 per year. The garbage collection fee, levied in 1963, provided $142,000 in 1967.

Table 2, a comparison of receipts and expenditures, shows a pattern with receipts falling below expenditures. Added responsibilities on local governments are resulting in additional expenditures which in recent years are exceeding the increases in revenue. This analysis confirms the conclusions reached by the Cambria County Planning Commission when it suggests the following factors must be considered so that the city can implement plans and provide services that will make it competitive.

Assessments. It is expected that property taxes will continue to represent the major source of Johnstown's income. It is advised that this tax base be strengthened through the encouragement of sound land use, other than residential, to supplement assessments.

The Redevelopment Authority's Market Street West Project is aimed at such a purpose.

Sources of Assistance. Availability of federal and state grants should be researched before any projects are initiated. Since grant programs are constantly changing each case should be researched at the time it is being considered to insure all available assistance is obtained.

The services of the County Planning Commission might be utilized. This function is also one of the most important for the City Coordinator to handle.

Capital Improvement. Capital improvements should become a vital part of every annual budget. Funds should be reserved each year for the development of capital improvements even if tax rates must be increased to provide the means.

Budget Adjustments. Current and future fiscal needs should be constantly reevaluated. A surplus or deficiency within any particular category should be adjusted in future budgets. A budget should not be developed solely on the basis of previous annual expenditures but should be oriented toward realistic appraisals of future fiscal requirements.

Tax Structure. Constant review of tax structure is necessary to determine the need and feasibility for increases or decreases in the local tax rate. The Johnstown Council realistically raised the tax rate for 1968 when it was possible and necessary.

Debt Structure. Municipal debt should be utilized with prudence; however, required improvements can often be undertaken with long-term financing. Two basic types of bonds are employed at the municipal level. General obligation bonds may be sold to finance permanent type improvements. Careful use of this type of financing permits immediate development of needed facilities. Costs can be spaced over a period of years and thus eliminate major tax increases. The present city garage was constructed with funds raised in this manner.

Another type of financing is through the use of revenue bonds which return revenue through use of the facility. The city authorities have used revenue bonds. The Municipal Authority and the Water Authority are retiring the principal and meeting interest charges with revenues derived from the operation of these utilities.

Debt Level

Third class cities are restricted by the Pennsylvania laws to a maximum debt limit. The amount that could be borrowed was restricted to a maximum of two percent of the city property valuation by councilmanic action and an additional five percent with voter approval. Thus until 1967 the city's borrowing limit was seven percent of the assessed valuation of real estate in Johnstown. Legislation in 1967 raised the limit to five percent by councilmanic action and 10 percent with voter approval. Johnstown has not reached this limit at any time in the last twelve years.

Table 1 also shows the borrowing capacity, the real estate evaluation, and the millage rate for 1962 and 1967. These figures were prepared by the County Planning Commission.

The present bonded indebtedness results from two improvement bonds, both requiring only councilmanic action. The first bonds were sold in 1958 for $1,000,000 to be repaid at the rate of $50,000 per year for 20 years. The second bond was issued in 1959 for $500,000 to be paid at the rate of $25,000 per year for 20 years. The bonded indebtedness at the beginning of 1962 was $1,300,000; at the beginning of 1967 it had been reduced to $925,000 or a percentage decrease of 28.8. The debt service costs of the city have declined from $276,625 in 1962 to $213,230 in 1967, a 22.8 percent decrease. By the time the last bonds have been retired the cost of interest will amount to $501,596 on the total of $1,500,000. The combined costs of principal and interest will have totalled $2,001,596. This means that for every dollar received $1.34 will have been paid out.

Local governments must be cognizant of the costs of borrowing in terms of interest and financing charges. Yet increases in construction costs from higher wages and material costs might well exceed financing costs if necessary capital projects are deferred.

Conclusion

The industrialist looking at Johnstown as a possible site for locating a plant would probably conclude that the Johnstown city government is faced with problems that are common to most western Pennsylvania communities. The common denominators of trouble can be rated in this order:

(1) Revenue resources reflecting a depressed area economy.

(2) Operating costs continuing to rise.

(3) Financial costs for conducting mandated programs.

Public officials have a number of alternatives when confronted with fiscal crisis. The relative desirability of these courses of action must be weighed against one another and in relation to popular acceptance. The Pennsylvania Economy League suggests four courses of action by local officials: (1) raise taxes; (2) decelerate community improvement programs; (3) resort to deficit financing; and (4) save through efficient operation.

This fourth possibility is one more honored in discussion than in practice. The community can provide fiscal flexibility by saving through efficient operation.

Johnstown has attempted all four courses over the years. Taxes have been raised over the past two years to meet the increased cost of government. New sources have been tapped in the garbage collection fee and the occupation tax. Data presented in Table 3 indicate that taxes per capita collected in Johnstown are slightly higher than the average for third-class cities in Pennsylvania and the expenditures per capita are lower.

Johnstown officials have deferred capital improvements for many years. In fact, part of the community's inability to compete with other communities for industry might be related to the reluctance to spend money for needed capital improvements and the voters failure to insist on improvement programs. In the post-war period when many communities were investing as much as 50 percent of their budgets in capital improvements Johnstown was content to spend two percent. This reluctance to spend is reflected in the appearance of the city and in public morale. The Public Safety Building, the fire halls, and city streets give the appearance of a depressed area. The blue paint on the fire hall windows is not enough to dress up the city.

Frequent reference has been made in this report to the importance of improved physical appearance of the Johnstown area in its competition for new industry. Table 4 presents a projected capital investment program to 1972 for the City of Johnstown

TABLE 3

CITY GOVERNMENT REVENUES AND EXPENDITURES COMPARISON, PER CAPITA, JOHNSTOWN AND SELECTED OTHER CITIES, 1964-1966

	Johnstown	Altoona	Erie	Lancaster	Reading	Scranton[a]	York	Third Class City Average
1964								
Revenues	$ 52.29	$ 59.40	$ 77.07	$ 74.64	$ 73.66	$ 47.00	$ 47.00	$ 62.89
Expenditures	48.24	56.77	85.39	81.33	67.63	39.59	54.82	64.63
Taxes collected	39.45	32.36	41.96	32.52	41.70	36.04	32.12	36.06
Market value[b]	2,498.00	2,232.00	3,082.00	2,993.00	2,626.00	2,329.00	2,718.00	3,042.00
1965								
Revenues	52.80	61.37	79.31	75.20	75.33	47.29	61.26	65.91
Expenditures	49.52	58.79	77.31	80.70	72.35	42.03	65.15	76.43
Taxes collected	40.33	33.56	47.63	33.59	45.33	39.69	32.56	38.65
Market value[b]	2,495.00	2,246.00	3,087.00	3,015.00	2,637.00	2,331.00	2,276.00	3,060.00
1966								
Revenues	54.84	68.96	94.61	78.97	75.16	50.57	65.57	71.53
Expenditures	52.72	68.00	81.65	75.95	74.09	50.66	63.17	69.47
Taxes collected	40.65	38.09	57.50	34.79	45.59	42.23	37.20	42.05
Market value[b]	2,486.00	2,303.00	3,110.00	3,007.00	2,653.00	2,360.00	2,731.00	3,075.00

[a] Second-class city.

[b] Of real property taxed.

Source: Local Government Financial Statistics.

TABLE 4

SIX-YEAR CAPITAL IMPROVEMENT PROGRAM FOR CITY OF JOHNSTOWN, 1967-1972: SUMMARY

(Thousands of Dollars)

	Total	Public Services[a]	Public Safety	Transportation[b]	Parks and Recreation
Total estimated cost	27,283	22,882	272	2,219	1,910
Total state, federal and other cost	18,292	17,501	32	204	555
Total city cost, 1967-72	7,993	5,381	242	2,051	355
1967	869	395	67	398	9
1968	777	234	51	450	42
1969	1,082	567	50	358	107
1970	1,928	748	32	278	87
1971	1,187	845	27	258	57
1972	907	556	25	273	53

[a] Includes buildings and facilities

[b] Includes streets and highways

Source: "Workable Program for Community Improvement."

which would improve public buildings, public safety, transportation, and recreational facilities.

Since 1958 the City Council has resorted to borrowing to finance improvements. A report of the debt status is included elsewhere in this report. Loans totalling $1,500,000 have been made. This does not approach the legal limit and appears justified.

Johnstown, in the past, has been commended by the Pennsylvania Economy League for reducing costs by efficient operation. It is to be hoped that the local government will continue in this direction.

In summary, these statements can be made. The city at present is not facing a financial crisis. The tax rate has been increased, but with permission of the courts the property tax could be increased further. This is not to recommend a raise, but to point out that the limit has not been approached. Per capita taxes could be levied as another source of revenue. Other additional sources remain, although any attempt to impose new levies would be unpopular with the voters.

Borrowing by the city council is well within the legal limits and payments have been made since 1958 to reduce the principal and cover the interest. The $75,000 payments per year have not appeared to be oppressive. Additional borrowing is possible if required to finance necessary projects or programs.

In reviewing how financial elements in the Johnstown government may contribute to economic development, the following considerations merit attention:

(1) Review all previous studies prepared for the city and the area. The Pennsylvania Economy League Fiscal and Administrative Study of the City of Johnstown prepared in 1960, the city's Master Plan, the Central Business District Development Plan, and data prepared by the Regional and

County Planning Commissions for the city have made suggestions not yet affectuated.

(2) Consider carefully the City Capital Improvement Program prepared by the Cambria Planning Commission. The proposed program will be required if Johnstown is to provide the climate and services to become economically competitive.

(3) Utilize all available state and federal funds available. The city and area are involved in some project with state and federal funds at present. Redevelopment, the Juvenile Program, and the City-State Partnership are such programs.

(4) Use the services of the Planning Commission and the City Coordinator's office to keep up-to-date on available programs.

(5) Enlist the support of the business community and the local citizenry to assist in planning. There is an active citizen's group now functioning. It should continue.

(6) Reassess all operations and programs regularly. Local governments have a tendency to become static. Programs and policies must be adapted to meet new problems.

CHAPTER 6

AVAILABILITY OF ESSENTIAL PUBLIC SERVICES FOR ECONOMIC DEVELOPMENT

The preceding section which examined the financial experience and potential of the local government was designed to provide a basis for analyzing the quantity and quality of essential public services needed and required by the citizenry, influence plant location and industrial expansion. The major emphasis of this report is on the City of Johnstown. However, it should be noted that there are 19 other municipalities in the urbanized area and in the remainder of the county there are 33 boroughs, one first-class township and 29 second-class townships.

Each of these 64 governmental units collects taxes and dispenses services. The city budget has been covered in detail and shows that revenues collected amounted to approximately $3,500,000 in 1967. The municipalities in the urbanized area collect and spend more than $4,500,000 per year and the 64 county units of government (including the 19 in the urbanized area) will handle over $7,500,000.[1]

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[1] Department of Internal Affairs Financial Reports: Commonwealth of Pennsylvania, Harrisburg, Pa.

In addition to the above amounts the County Commissioners' Office has submitted a 1968 budget of some $5,000,000. Thirteen school districts collect additional taxes and the various authorities levy service charges for water, sewage, and garbage disposal. Finally, $40,000,000 in federal funds has been channeled into Cambria County in the last four years. (See Appendix)

No data are included to cover government or services in Somerset County. However, southern Somerset County is closely related to the Johnstown urbanized area. Windber has been assisted by the Greater Johnstown Chamber of Commerce and Conemaugh Township is tied to Johnstown more closely than to communities in its county.

The major issue, then, in this section concerns the adequacy of services provided by Johnstown and the numerous local governments in county and area. Johnstown, as the core city in the metropolitan area, is most important. The public image of the area is determined largely by that of the city. Johnstown must provide the leadership to hold and to attract industry. It can also assist its neighbors in providing services for the entire area. It is logical to emphasize the efforts of Johnstown.

To evaluate services criteria must be established. The Industrial Development Department of the New York Central Railroad, now a part of the Penn Central System, detailed the criteria industry might apply when considering locating in a community. These services were specified: (1) schools, (2) police departments, (3) fire departments, (4) sewer systems, (5) streets, (6) lighting, (7) recreation and cultural facilities, (8) sound government financing, and (9) a businesslike political climate.[2]

This list is not designed to be all inclusive, but it can serve as a checklist of services that industry demands of local governments. Specific questions relating to each service are listed in the Appendix.

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[2] Pongrace, Otto W.; "TAXES AND WHAT YOU GET FOR THEM": New York Central Railroad, 416 Lexington Avenue, New York, N. Y., 1960.

Schools

Educational facilities are covered in detail elsewhere. However, two major developments of significance should be reported. The first is the construction of the new Johnstown College of the University of Pittsburgh. Although the University has been operating a branch in Johnstown since 1927 the construction of the new buildings on 400 acres in Richland Township in 1967 served as a stimulus to the area. It has provided the opportunity for many young people to attend college. The college contributes to the economic health of the community with faculty salaries, purchase of equipment and supplies, and the expenditures of 350 dormitory students. University people can serve as resource people and as contributors to various aspects of community life. Finally, the Johnstown College provided a psychological lift to area residents as indicated by answers to the questions on the household survey. The new college represents a positive accomplishment.

The second major development related to education in the area is the construction of the area Vocational-Technical School. First, it represents a new level of area cooperation. Eight school districts are cooperating, including two in Somerset County. This cooperation could set a pattern for action in other areas of community life.

Second, the Vocational-Technical School should provide preparation and training for area young people that will prepare them to function in area industry or outside the community where work opportunities are available. This, too, is a community responsibility.

Police

Numbers, training, and equipment are the important considerations in evaluating police services. The county, the urbanized area and the city are covered. The communities in Cambria County are served by 925 police officers with 75 police officials. Ninety-seven full-time and 35 part-time officers patrol the urbanized area.[3] Johnstown had 72 policemen in 1968 although 100 are authorized by Council. On the basis of the national median of 1.48 police per 1,000 population[4] Johnstown should have 80 men; 300 could serve the county. It would appear that the city is understaffed and the county's municipalities are over-staffed. Police services throughout the county are expensive and not uniformly efficient throughout the area.

Johnstown has problems not common to the smaller municipalities. As a third class city it is obligated to use only full-time police, except in dire emergencies. Police can be appointed only after passing physical and mental examinations. The state has also set a minimum salary scale for cities that is higher than salaries paid in most of the smaller communities.

Recruiting in Johnstown is affected by the same factors that complicate it in all urban areas. These include the relatively low pay, the hours worked, the dangers involved and the unfavorable attitude of the public. Recruiting problems appear to be more acute in urban centers than in the suburbs or rural communities. But when qualified men are recruited budget considerations restrict the size of the department. The Johnstown department is large enough to handle routine situations; emergencies within the city could conceivably overtax the force.

The Johnstown police department is the only one organized into specialized units. There are four units; the patrolmen, traffic division, the detective bureau, and the juvenile section. They rely upon the Pennsylvania State Police for detective services or upon the District Attorney's Office.

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3. Background Information, Cambria County, Cambria County Planning Commission, Martin Gilchrist, Director, 1968.

4. The Municipal Yearbook, Eds. Nolting, O. F. and Arnold, Davis S.; Chicago, 1967.

No regularly established training programs for new officers or refresher courses for veteran officers is available in the county. The usual training procedure is to assign the neophyte to work with a veteran officer for two or three weeks. Then the new officer is assigned to work. In Johnstown the first assignments are with the patrol in the cruisers. Here the new officer has someone to work with until he gains experience. As he acquires this experience he may move to other units.

Training programs are presented in the county, however. The District Attorney's Office, the Pennsylvania State Police and the F.B.I. have offered special courses. Unfortunately these courses are offered infrequently and on a voluntary basis.

Modern and efficient equipment is available to the city police. Johnstown operates 18 police vehicles, including prowl cars, cruisers, and motorcycles. There are 75 police vehicles in Cambria County, 31 of them in the urban area. Modern weapons are provided city police and for the city and suburbs two-way radios are standard equipment.[5]

Suburban officials report that working relations among police units are satisfactory. They offer the suburban radio network as an example of area cooperation. Other areas of cooperation should be sought to enhance the effectiveness of police services.

The reputation of local police departments appears to be excellent. It has attracted national attention since the crime rate in the metropolitan area has been the lowest in the nation for the last nine years according to the F.B.I. Uniform Crime Reports. Without detracting from the excellent work of the area police it should be mentioned that a low crime rate does not always mean efficient policing. It can also indicate poor record keeping or failure to detect crimes committed in the area.

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5. Gilchrist, Martin, op. cit.

Fire Protection

The local population needs and industry demands adequate fire protection. Within Cambria County there are 3,000 volunteer firemen operating out of 55 fire stations.[6] Johnstown has the only paid professional department in the metropolitan area. The 105 city firemen are stationed in seven fire houses. In the city the total cost of fire protection is paid from city funds. Throughout the remainder of the area the basic costs are handled by the volunteer companies, largely in the form of public contributions.

The city's professional department is the major factor in keeping fire insurance rates at the minimum for the entire urban area. It would appear that all districts in the urban area have adequate fire protection for present and future purposes according to criteria established by the National Fire Underwriters Association. The cooperation among the professional and volunteer units has been a contributing factor to the fire fighting efficiency. Yet it can be improved.

The Johnstown equipment is modern and adequate. Fire houses are located so that area coverage exceeds standards established by the fire underwriters. Training under the chief and senior officers is continual. The chief and his staff also make regular inspections throughout the city to avoid fire hazards and to eliminate potential danger spots. Area training and inspection is less systematic.

The cost of providing fire protection for the city and urban community is high and increasing. The surrounding communities enjoy the added protection of city training and modern specialized equipment. Some consideration should be given to finding financial support from area municipalities who benefit from the city's professional services and specialized equipment.

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[6] _Ibid._

Sewage Disposal

In densely populated communities waste disposal has become a major problem. Johnstown has planned and constructed a modern sewage disposal system that is adequate to handle the present and future needs of the community and industry. The Municipal Authority was reactivated by the city in 1960 to construct and to operate such a system. Although the authority was created by the city representatives from Westmont, Southmont and Richland were appointed to the board. Eleven municipalities and the Bethlehem Steel plants are served by the system. Johnstown, Upper Yoder, Lower Yoder, Westmont, Southmont, Dale, Geistown, Richland, Stonycreek, Franklin and East Conemaugh are participants.

The sewage disposal plant has been in operation for six years and has attracted attention as a model in the state. Additional lines are still being laid and some properties remain to be tapped into the system but this work is continuing. As more people are served the costs per tap-in have decreased. Lower rates can be anticipated.

Outside the urban area disposal problems continue to emerge. Most county communities have availed themselves of state and federal assistance to meet their needs. The latest grant of $10,000 for the Borough of Loretto was announced in December 1968. Discussions are now underway between the Municipal Authority and communities drained by the Little Conemaugh and Stonycreek Rivers to bring them into the disposal system. If accomplished it would further reduce the cost per community and contribute to area cooperation. It is to be encouraged in the interest of efficiency and economy.

A clean adequate water supply is also available in the Johnstown area. A joint water authority was created in 1963 by Johnstown, Westmont and Southmont. The authority purchased the Johnstown Water Company from the Bethlehem Steel Corporation. Since the purchase of the company, rates have been reduced and the service has remained excellent. In the most rapidly developing section of the Johnstown area, Richland, the Highland Water Authority provides services.

Streets and Highways--Transportation

Transportation is a major problem for Johnstown and Cambria County. Prior to the automotive age, Johnstown's location along the river, then the Pennsylvania Canal, and the mainline of the Pennsylvania Railroad was an asset. The rugged terrain is a liability. The terrain in Cambria and Somerset Counties makes highway construction and maintenance difficult and expensive. Inadequate access routes exist to Route 30, an east-west highway 30 miles to the south in Somerset County, and to Route 22 in central Cambria County. Turnpike entrances at Bedford and Somerset have stimulated the economies of both communities but the 35 miles to both points has been too great to contribute significantly to the economy of the Greater Johnstown Community. Bus service is slow and infrequent. The Penn Central Railroad continues to attempt to reduce passenger service, even on one of its mainlines. It is to be hoped that the reconstruction of Route 219 running north and south to connect the Pennsylvania and the Keystone Shortway may have a positive effect on the area.

The inter-county network laces the area with paved roads. Snowfall and the terrain keep highway crews busy from January to March. New township roads are being constructed. The Richland Township area at present is under the most pressure to provide streets and roads to serve its growing population, the Johnstown College, and the Vocational-Technical School.

Approximately 20 percent of the city budget is used annually to construct and maintain streets. The main thoroughfares in the city are well maintained. In areas outside the central business district street repair has been neglected. The city's topography complicates its problems in maintaining streets and increases costs.

An established schedule for street cleaning exists and is rigidly kept. The downtown area receives the primary attention and is adequately served. Better residential neighborhoods enjoy the benefit of better service. Personnel and equipment impose limitations but Johnstown's streets are as well kept as those of comparable cities and most of its suburbs.

The central business district is adequately lighted with new street lights installed in 1961. Prospect, Conemaugh Boro, and Lower Bedford Street, all adjacent to the downtown, need additional lighting. Residential sections in the city are generally well lighted and council is responsive, within reasonable limits, to the request of citizens for new lights.

Traffic congestion has been chronic in the downtown area. It will continue until the by-pass highways are completed and off-street parking facilities are provided. City officials are aware of the problem and with the assistance of the state highway department are working to relieve it. The Loop Traffic System of one way streets was designed to speed traffic through the city. It succeeded. The new Route 219, the Roosevelt Boulevard Extension and the Kernville Elevated Highway will take through traffic out of the business district and relieve part of the congestion.

The Johnstown Parking Authority has just announced plans for a parking garage to be located on Market Street. Parking surveys have shown this to be the area with the greatest need for additional offstreet spaces. Its location between the city's largest department stores and only two blocks from the new shopping center in Market Street West should be advantageous. It will be financed by revenue bonds to be paid from receipts collected for parking. This should relieve congestion and stimulate the downtown business area. The parking garage represents an opportunity for the city to make an investment which will enhance the competitive position of the downtown and provide an incentive for private investment in retail and service activities in the central business district.

Recreation and Culture

The Johnstown area in its efforts to locate new sources of employment to improve the existing economic conditions, must attract new industry and commerce to the area. This task is not simple since Johnstown is in competition with other areas. Industry will select a site that is most desirable in terms of satisfying its particular requirements. Recreation and cultural facilities are among the list of requirements in any plant location criteria. Industry places great importance on locations that offer their employees an opportunity to live in agreeable and attractive surroundings. The employees and their families should have ample opportunities within their salaries to enjoy a full-range of community services, obtain adequate housing and have access to recreational and cultural activities. Thus, recreation becomes important in the competition for economic growth.

Recreation and cultural facilities are also important to encourage the area's family forming group (20 to 39) and its college educated young citizens to remain in the area. It is the young groups which give continuity to the community. In the Johnstown region they are moving away. Many of them do not return because of lack of economic opportunity.

The development of recreational open spaces in a community also directly affects the stabilization or increase in property values. It is important that adequate open spaces and recreation areas be supplied by the community as a contributing factor towards deterring blight of future slum areas. To show how a park can increase property values it is estimated that the properties surrounding Mellon Square Park in Pittsburgh have increased eight times in value since the park's completion. Recreation is important in many many ways to the area struggling for economic survival.

In the future those factors which determine the need for recreation will continue to increase. All age groups whether they are children at play enjoying organized games or senior citizens enjoying passive recreation will feel the increased need for facilities. The responsibility of the community to provide these facilities will increase. Therefore, it is imperative that an adequate recreational program be prepared and implemented.

Earlier studies of recreation in Johnstown, including a detailed survey by the Regional Planning Commission, indicate that improvements should be made in facilities and program. The city, county and state are working toward that end.

The Commonwealth of Pennsylvania has provided three state parks within a 35 mile radius of the city. Blue Knob in Blair County, Shawnee in Bedford County, and Prince Gallitizin in northern Cambria County are easily available from Johnstown. They provide opportunities for swimming, fishing, camping, boating, hiking, and picnicking.

Roxbury Park includes two baseball diamonds, two softball diamonds, and a Little League field. Intermediate, Pony, Junior and Senior Leagues use this baseball park. Lighted tennis courts, basketball and volleyball courts and a picnic area are a part of the park. No revenues are collected for use of park facilities; all funds for its operation come from city taxes. The baseball programs are sponsored by the city, along with the junior and senior basketball leagues that use the high school and junior high school gymnasiums.

The summer recreation program in Johnstown is financed and controlled by the city government. Greater Johnstown School District facilities are utilized. Other communities operate summer programs alone or in conjunction with neighbors.

Cambria Library has been supported by a one-half mill tax levied by the city for that purpose. A $4,000 grant from the city's Recreation Authority to hire a professional librarian was the "seed money" that made state and federal funds available so that the service area could be enlarged and library facilities improved. The county and other municipalities have become involved. Westmont, Southmont and Richland are regular contributors.

More than $400,000 are invested annually in recreation in the urbanized area. Recreational and cultural goals as they relate to economic development would point to the need to develop a unified area recreation program to include the 19 municipalities in the Greater Johnstown Area. Better coordination and cooperation would reduce the cost and strengthen the program. The Johnstown Recreation Authority should be reactivated and assigned the responsibility for a coordinated program. Continued use of state and federal funds should be sought.

CHAPTER 7

SEPARATISM VS. CONSOLIDATION OF LOCAL GOVERNMENTS

The analysis of the financial experience and potential as well as the character of essential public services needed for economic development in the Greater Johnstown Area indicate that some form of local governmental reorganization is necessary. The 19 municipalities in the area fail to meet the criteria as good governments. Some services are not provided; others are inadequate; and when services are provided the cost is higher than in comparable areas throughout the state and the nation. (See Johnstown Fiscal Data and the Municipal Yearbook) It is possible that an integrated approach would be more efficient and more economical.

Three sets of problems affecting economic development of the Greater Johnstown Area are discernible; (1) the problems of Johnstown as the core city of the metropolitan and labor market area; (2) suburban needs and problems; (3) area wide problems.

In the first category the City of Johnstown is confronted with loss of revenues as its middle and upper income residents move to the suburbs, traffic congestion and parking problems, increased costs of government to provide new and additional services, and the spread of blight and obsolescence. These are not unique to Johnstown, but common to many Eastern core cities. Nor does the existence of some problems imply that they have not been recognized and attacked. Progress has been made; but problems still exist.

The suburbs in the Johnstown area include those older boroughs that have problems remarkably similar to the central city. Dale, East Conemaugh, and Franklin are such municipalities. The newer suburbs suffer "growing pains". Geistown, Richland, Upper Yoder, and Lower Yoder Townships are bearing the brunt of the demand for schools, streets, sewage lines, and utility lines. Each new house in the suburban developments requires a package of public services which entail capital outlays ranging from $2,500 to $3,500, depending upon the density of the development and the degree of utilization. Thus capital expenditures run substantially higher.[1]

The third set of problems include area-wide problems that affect both the city and the suburbs. Some services essential to metropolitan living cannot be provided separately by each municipality. The size and geographic extent of the capital investment, the economic forces at work, the nature of the physical environment, or the claims for use by the residents of the area make it impossible for communities to provide or meet the needs separately. Among these are the provision of area-wide transportation systems, the control of air and water pollution, the reservation of open land for outdoor use and recreation, broad land use planning, and the stimulation of growth in the economy of the area. These are the problems of the city, of the suburbs, and of the region.

Even during the course of this survey it has become obvious that there has been some evidence of a growing maladjustment between what governments are called upon to do and their ability to perform. The apparent maladjustment, or inability to meet area needs, is not related to lack of dedication or ability on the part of local officials. Rather it is related to the structure of local governments. Regardless of causes, it is apparent that some form of governmental reorganization will be required to facilitate the solution of area problems.

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[1] Committee for Economic Development; Guiding Metropolitan Growth, P. 21, New York 1960.

Research within the area discloses an awareness on the part of some community leaders of the necessity for reorganization of governmental structures. The City of Johnstown's meeting with its neighbors in 1960, 1961, and 1963 to discuss consolidation and cooperation, the formation of an Intergovernmental Council, and the efforts of the Improve Johnstown Association in 1966 to bring Westmont and Southmont into the city are evidence of the awareness in the community. The abandoning of the Intergovernmental Council and the failure of efforts in Westmont and Southmont to consolidate indicate the lack of agreement among those who make decisions and influence action. Organized resistance on the part of the populace toward reorganization that would involve annexation or consolidation is apparent.

Research further shows little interest in or awareness of alternatives to consolidation. An important part of this report must be devoted to the necessity for governmental reorganization if the area is to realize its economic and human potential, and the possible approaches to reorganization, including alternatives to consolidation. There are numerous alternatives. Strength and weakness will be covered.

As mentioned earlier in this report, there are three basic reasons for advancing the position that the city and suburbs must reorganize their governments so that cooperation is possible.

First, there are grounds for believing that the integrated approach to area problems is more efficient and economical per unit of service provided. One recent venture in cooperative effort, the sewage project, is proof of this within the area. It is simple economics to prove that one sewage treatment plant, one sewage line and system, with one engineer to operate the plant with a single staff is cheaper and more efficient than fourteen small plants and systems. Here the community has made a significant move into joint area action. It is evident that this effort has been successful.

Second, there are a number of problems that are not being met adequately or at all for lack of a metropolitan approach. One very good example is air pollution and another is recreation.

There are problems of greater significance than recreation in the area, but it is illustrative of the inadequacies that develop from unintegrated and uncoordinated efforts. Approximately $400,000 is spent for recreation in the Johnstown area each year. This includes money spent by various municipalities and school districts. It does not include the expenditures of the Community Chest agencies, that is Boy Scouts, Girl Scouts, YMCA, YWCA, or the Teen Canteen. If this figure is added another $275,000--the total spent each year is well over $600,000.

A third reason pointing to reorganization to effect cooperation is that some problems are of such mounting importance that sooner or later they will compel some form of governmental action. If local governments do not or cannot handle local problems, it becomes necessary for state and federal governmental agencies to assume responsibilities. This has happened in the case of stream pollution and in public school consolidation. Governmental policies should be developed and carried out at a level of government closest to home. The city, boroughs, and townships can meet and handle their own problems as well, if not better, than governments far removed from the scene in Harrisburg and Washington. This does not mean that local communities should not be interested in state and federal assistance when it is available and needed; it does imply that communities ought to make policy and solve area problems as they arise. Federal assistance in redevelopment and urban renewal has aided the city of Johnstown; the city-state partnership now in progress can help rejuvenate the community. This kind of federal, state and local cooperation is justified. Air pollution, regional planning and recreation are local problems that must be met by local governments. They cannot be tackled by small local jurisdictions; but a metropolitan government could cope with these matters without sacrificing local control.

"Local government" as used in this report includes all units of government below the level of the state. This includes: counties, townships, cities, and boroughs. "Reorganization of governmental structure" refers to: (1) changes in the jurisdiction of local governments, and (2) the reallocation of powers or functions among existing units of governments.

Local government reorganization is currently being examined.[1] A consideration of consolidation and its alternatives for 19 communities in the Johnstown area needs to take account of several considerations:

First, it should be clear that no form of governmental reorganization will automatically solve area problems. Reorganization might make the solution to some problems possible. Second, most discussion in the communities about reorganization has been restricted to realignment of communities, or consolidation with the city. It should be emphasized that other alignments are possible. Third, the reorganization need not be restricted to the Johnstown area. Other communities in the two county area should look at possibilities. As one illustration, Spangler and Barnesboro in the north of the county might consider greater joint effort in community affairs. The school districts have already set the precedent. Finally, any change should be preceded by study and planning. To assist in this respect the various approaches to local governmental reorganization are presented. They follow:

1. Annexation and consolidation
2. The use of extra-territorial powers
3. Intergovernmental agreements
4. Voluntary Metropolitan Councils
5. The Urban County
6. Transfer of function to the state
7. City-county consolidation
8. Metropolitan Special Districts (Authorities)
9. Federation

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[1] As of the date of this report, the Pennsylvania Department of Community Affairs has contracted with the Better Government Associates, Inc. to study this problem.

There are strength and weakness in each form or reorganization; each has its limitations. The area is not restricted to any one of the above forms. They may be used in conjunction with each other. Some comment upon each of the alternatives follows.

Annexation and Consolidation

Annexation and consolidation are the two general ways by which municipal boundaries are adjusted. Annexation is the absorption of territory by a city. The result is a larger and not essentially different governmental unit. Consolidation is the joining together of two or more units of government of approximately equal stature to form a new unit of government. The methods used in each case are prescribed by the state law.

These are the two most popular. Consolidation efforts have been made in Johnstown, but they have failed for a numb
of reasons. The efforts have always been directed at bringing smaller units into consolidation with the city. One of the weaknesses of this method is the legal difficulty, thus its low political feasibility. New state legislation may eliminate this problem. As mentioned a study now in progress may shed light on consolidation as a form.

The Use of Extraterritorial Powers

Extraterritorial powers are powers which a city exercises outside its territorial limits to regulate activity there or to assist in providing services to city residents. In Pennsylvania the Third Class City Code grants such powers to cities like Johnstown.

The regulatory powers granted include control over possible threats to health and safety, abatement of nuisances, and the regulation of zoning and subdivisions. The city has used these powers sparingly; nevertheless they do exist.

A city's use of extraterritorial power is a way of extending its geographical jurisdiction. From the standpoint of the metropolitan area as a whole this may prove a disadvantage if it deters the city from cooperating with the other communities in an area-wide approach yielding greater over-all benefits. This approach also raises the question of intergovernmental friction if the city is not careful to be a "good neighbor". It's major weakness is its limited applicability. It may, however, be considered in conjunction with other approaches.

Intergovernmental Agreements: Joint Exercise of Power and Intergovernmental Sales of Services

Intergovernmental agreements are arrangements under which a governmental unit conducts an activity jointly or in cooperation with one or more governmental units, or by contracting for its performance by another governmental unit. The agreements may be permanent or temporary; pursuant to special act or general law; effective with or without voter approval; and may be formal or informal in character. Intergovernmental agreements may be for the provision of direct services to citizens of two or more jurisdictions, such as water supply or police protection; or they may be governmental housekeeping activities, such as joint purchasing or personnel administration activities.

Pennsylvania law provides for such intergovernmental agreements.[2] In southeastern Pennsylvania 693 agreements are in effect, mostly in the form of contracts for services, but also in the form of agreements for joint provision of services. Suburban areas were involved with a high population density. Police, fire protection, and sewage disposal were the most frequent functions represented.

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[2] George S. Blair, *Interjurisdictional Agreements in Southeastern Pennsylvania* (Philadelphia: University of Pennsylvania, Fels Institute of Local and State Government, 1961).

This is not new to the Johnstown area. The Johnstown Municipal Authority provides sewage services for eleven municipalities. A Johnstown-Westmont-Southmont Water Authority sells water to a number of other communities. Dale and Ferndale Boroughs have joint arrangements on use of equipment. And an Intergovernmental Council had been established to investigate other possibilities. It has been abandoned.

Some suggested areas for sale of services might include fire protection for Westmont and Southmont from the city; police services, specifically detective services by the city to other communities. This would be to the advantage of the city and its neighbors. It would improve services and take some of the financial load from the city.

Joint Purchasing

Joint purchasing offers great possibilities for direct savings. An intergovernmental approach to air and stream pollution offers the only hope for success in dealing with these problems. Again, any other approach might be used in conjunction with the intergovernmental agreements.

Voluntary Metropolitan Councils

Voluntary metropolitan councils are voluntary associations of elected officials from most or all of the governments of a metropolitan area, formed "to seek a better understanding among the governments and officials in the area, to develop a consensus regarding metropolitan needs, and to promote coordinated action in solving their problems."[3] They are intergovernmental agreements for joint conduct of activities in research, planning, and deliberations on issues of area-wide concern.

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[3] Advisory Commission on Intergovernmental Relations, Alternative Approaches to Governmental Reorganization in Metropolitan Areas, Washington, D. C., June 1962.

Although councils vary with respect to their mode of establishment and membership, they usually have these characteristics: (1) They cut across or embrace several jurisdictions; they do not stop at county lines. (2) They are composed of the chief elected officer of the local governments in the area, and could have representation from the county and state. (3) They have no operating function: Rather they are forums for discussion, research and recommendation only. Recommendations are made to the constituent governments, or to state legislatures. (4) They are multi-purpose, concerning themselves with many area-wide problems. (5) They employ a full-time staff.

Such a council was established in the Johnstown area. It did meet. No staff was hired but area problems were aired. It has been dropped. It could conceivably be revived.

The Urban County

The urban county approach to reorganization of local government refers to the development of the county from its traditional position as an administrative subdivision of the state for carrying on the state's functions--such as elections, law enforcement, and judicial functions--to one in which it provides a significant number of services of a municipal nature throughout all or parts of its jurisdiction. This development may occur through the piecemeal transfer of functions, or through the gradual expansion of some counties from the status of rural government to one performing many urban functions in unincorporated urban areas. In some cases the county has granted or assigned new functions.

In Cambria County the Commissioners have taken on new functions. The county has entered into recreation, housing, planning, mental health, and the support of the airport. Although it is highly unlikely that Cambria County Commissioners will replace local officials, it is possible that the county could be involved in many new service functions.

Transfer of Functions to the State Government

This approach to governmental reorganization in metropolitan areas involves the transfer of function and the direct performance of an urban function by an executive agency of the state government. Obviously, not all functions can be so transferred. This approach then, is limited, and must be used only with other approaches. One area where the state may function to the best advantage is in flood control. In fact, the Johnstown area has appealed to the state and has received help in cleaning up streams and in reducing chances of overflowing.

Transfer of functions to the state differ in degree, if not in kind, from other approaches considered in this report in that they tend to depend upon decisions made beyond the immediate metropolitan area, specifically, actions of the state legislature.

There are other weaknesses in this approach. The transfer of government functions to the state has the weakness of taking away a portion of local responsibility and authority. It tends to diminish the stature of local government. The approach is offered only as a partial solution to be used in conjunction with other methods.

Metropolitan Special Districts

Metropolitan districts can take a number of forms. The most popular is the authority structure. Authorities are special purpose bodies created by municipalities to perform special functions. They are chartered by the courts with permission of the Commonwealth. They ordinarily perform services rather than regulatory functions. They can be established by a single municipality or jointly with other municipalities or units of government.

The City of Johnstown has created a number of authorities as listed:

1. Johnstown Area Recreation Authority--(Residents appointed from outside the city.)

2. Redevelopment Authority of the City of Johnstown--(City residents only.)

3. Johnstown Municipal Authority--(Created by city, serves the area and has members from outside the city.)

4. Greater Johnstown Water Authority--(A joint authority with Westmont and Southmont.)

5. Johnstown-Cambria County Airport Authority--(Joint city-county operation.)

6. Johnstown Housing Authority--(Members appointed by the Mayor and Governor.)

7. Johnstown Parking Authority--(Majority of members from the city.)

This kind of reorganization of governmental structure is effective. There are additional areas of services wherein it might function. It has a number of advantages. Services can be provided without sapping a municipality's borrowing power. Authorities can and do sell bonds, borrow monies, and collect charges for services rendered. It has the further advantage of allowing communities to work together without affecting the autonomy of the participants. Finally, it has been possible for communities in the Johnstown area to utilize the services of people who would not run for public office, nor could the communities afford to hire their services. Yet, they have served on authorities.

The most frequently heard weakness is in the fact that the authorities are not directly responsible to the voters, nor can authority members be removed by voters. Authorities, however, are restricted in carrying out only those specific functions assigned them by the creating bodies. Members of these bodies are responsible to and removable by the voters.

City-County Consolidation

City-county consolidation takes three forms: (1) the merger of the county and cities within it into a single unit of government; (2) substantial merger of the county and city, but the retention of the county as a separate unit for some functions; (3) unification of some, but not all, of the municipal governments and the county government.

This approach is not one that can be easily attained. It would require some permissive legislation from the state and in some cases, voter approval.

Some precedents have been set. Philadelphia is the only one in Pennsylvania. Areas in Louisiana, Tennessee, New Mexico and Virginia have moved in this direction in the last decade.[4]

Federation

The federation plan involves the division of local government functions into two levels. Area wide functions are assigned to an area-wide or metropolitan government, with boundaries encompassing the units from which the functions are assumed. The local type government functions are left to the existing municipalities.[5]

The several proposals for a federation plan that have received consideration in the United States have required special constitutional authorization for the specific metropolitan areas seeking the federation form, the drafting of a local charter and the approval of the charter by more than a simple majority. The two federation governments in Canada were put into effect by acts of provincial legislature without popular referenda. These were in Winnipeg and Toronto.

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[4] Advisory Commission on Intergovernmental Relations, Factors Affecting Popular Reactions to Governmental Reorganization in Metropolitan Areas (Washington, 1962).

[5] Ibid.

Although federation has been discussed as an attractive approach for many years no federation type governments have been established in the United States. All efforts to establish it have met with failure. It is listed here despite the lack of American precedents as a worthwhile approach that might be investigated.

Conclusions[6]

A number of generalizations can be drawn from these various approaches to governmental reorganization. They follow:

1. There is no best single approach to governmental reorganization applicable to all conditions and times.

2. The several approaches are not mutually exclusive, and frequently can be used to supplement one another.

3. Use of the milder approaches may prove adequate to meet the need for governmental reorganization in some metropolitan areas. They may serve as stepping stones to more comprehensive approaches, or may reduce the need or pressure for a more comprehensive approach to reorganization.

4. Annexation continues to show vitality in many emerging metropolitan areas of the country, although it is no longer of much use as an approach to reorganization of local governments in the larger older metropolitan areas.

5. City-county consolidation and city-county separation have shown limited potential as methods of governmental reorganization.

6. Metropolitan districts and authorities have been useful in dealing with urgent special problems of districts.

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[6] Alternative Approaches to Intergovernmental Relations, op. cit. p. 81.

7. The search continues for a "two-level" approach, although the federation, at this time has not yet been established in the U. S.

8. The growing use of voluntary councils is one of the more significant recent developments in local governments in metropolitan areas.

PART IV

DIAGNOSIS OF THE LOCAL ECONOMY

CHAPTER 8

AN EXAMINATION OF PAST STUDIES OF THE JOHNSTOWN AREA

Early in the initial stages of the present survey of the Johnstown economy, an examination was undertaken of studies and special surveys which had previously been made for the local area. A review of the preceding fifteen-year period quickly disclosed that Johnstown had not lacked for studies. In the main, it appears that these studies have been sporadic, one-time ("shot in the arm" variety), and narrowly specialized. Apparently each study was undertaken in response to a special problem situation when either an emergency was threatening or conditions had developed and sufficient deterioration had set in to warrant widespread public concern. The studies seem to have been independent of one another and did not provide an adequate bench mark upon which future studies might be based so that there was a lack of continuity or a means for ongoing advance planning.

The data contained in the previous studies of the Johnstown area have been useful for providing bases for comparison with current data and for the light they have thrown on past situations. Three of the past studies have been particularly pertinent to the household survey which was conducted in the Summer of 1968 as a part of the present survey of the Johnstown economy. They are: (1) 1965 Greater Johnstown Community Survey conducted by The Pennsylvania State University Center for Air Environment

Studies, (2) 1966 Neighborhood Analysis Study made by the Cambria County Planning Commission, and (3) 1966 Community Action Council Statistical Report. They will not be reviewed here, since the data are analyzed elsewhere in this report. Other previous special purpose studies and a brief commentary on them follows:

Schools for Greater Johnstown

Office of Field Services, University of Pittsburgh; Clifford Hooker, Director, 1957.

Since individuals must be prepared to participate in an increasing complex economy and society, the public schools must be considered. This study was made the the University of Pittsburgh School of Education for the Greater Johnstown School Board in 1957. The objective was to evaluate the effectiveness of the public schools as they serve the local community. When the survey was made the Greater Johnstown School District included Johnstown, Stonycreek Township, and West Taylor Township. That jointure has been changed to a consolidated district and Lower Yoder Township has been added.

The size and condition of the physical plant, quality and qualifications of personnel, school policies, and the academic program were evaluated. The size and number of other districts in the area, their relationships with each other, and community factors affecting education were considered. Recommendations to improve the quality of local education were presented.

Major problems identified were these: the excessive number of relatively small school districts; the obsolete and dangerous school buildings, especially in the city; the inability of the Greater Johnstown District to attract younger personnel from outside the area; and the inflexibility of the academic program.

Recommendations were presented to alleviate the problems. They were: (1) the consolidation of school districts in the interest of efficiency and economy; (2) the construction of new buildings and the preparation of a long-range construction program; (3) the establishment of specific personnel recruitment policies; and (4) the reorganization of the secondary academic program. Other suggestions were included; however, these are pertinent to the present project.

Not all of the recommendations have been carried out at this time. The number of area school districts has been reduced by consolidation. In most cases these consolidations have been at the insistence of the State Department of Public Instruction. The new schools that have been constructed are not in the Johnstown School District. The Greater Johnstown School Authority, recently created, has not arranged for any new construction. In fact, the building problem has been accentuated by the eventual loss of the Joseph Johns Junior High School to downtown redevelopment. Twelve years after the survey Johnstown's physical plant has not been improved.

In 1957 the survey reported the average age of Johnstown teachers to be higher than the average in the Commonwealth. More local teachers lacked degrees and had only provisional certificates than in comparable school systems. The survey team insisted that the high percentage of "home-grown" personnel on the staff and faculty contributed to a provinciality that made the introduction of new ideas difficult. In 1968 an inspection of a Johnstown faculty roster would show that teachers from outside the area have not been attracted to the district and no established policy has been developed to attract them.

The scholastic program has been changed. On the elementary level a new program designed to individualize instruction has been introduced on a limited level. The secondary program has been broadened to provide four areas: (1) math-science; (2) academic; (3) business and commercial; and (4) vocational; and the Johnstown School District is a participant in the new area Vocational-Technical School that will open in 1970.

The Human Resources Project finds this report and the school director's response to it significant at this time. First, community leaders have shown an interest in finding solutions to area problems. Second, despite the interest in collecting information, there has been a reluctance to act on recommendations that have been presented. Finally, no amount of "fact-finding" or survey-taking will solve problems unless community leaders are willing to act.

(The Greater Johnstown School Board passed a resolution accepting a building program to cost more than $14 million at its regular meeting on February 10, 1969. The 5-3 vote and remarks by board members indicate that the program will be carefully scrutinized and will meet some opposition.)

Fiscal and Administrative Study of the City of Johnstown

Pennsylvania Economy League, Howard Stewart, Director, Pittsburgh, 1961.

The Pennsylvania Economy League made a complete fiscal and administrative study of local government in Johnstown in 1961. The study was made at the request of the mayor and with the approval of council. The Greater Johnstown Committee paid for the study and received the final report.

City revenues, expenditures, and debt structure were analyzed in detail for a five-year period. New sources of revenue were suggested and reductions of expenditures suggested in some areas. The occupation tax and the garbage collection fee were suggested as new sources of revenue and adopted by the city council. These two sources have added approximately $400,000 per year to the city.

The second part of the study was a position classification study providing job specifications and rules for the installation and maintenance of the plan. More efficient use of personnel was indicated.

It is suggested that this valuable study be reviewed and updated by the Johnstown City Council. Some recommendations have not been accepted. It is possible that a review of this survey may be helpful in 1969.

Central Business District Development Plan

Buchart Engineers; York, Pennsylvania, 1962.

The CBD Development Plan was sponsored by the Greater Johnstown Committee, the Johnstown Parking Authority, and the Department of Commerce of the Commonwealth of Pennsylvania. The purpose was to analyze and to recommend solutions for problems facing the downtown area. Those problems were identified as lack of parking facilities, congestion of traffic, and the lack of by-pass routes to improve traffic circulation. The problems originated, it was reported, in physical obsolescence and neglect, and in the economic and social problems brought about by the loss in total city and regional employment and population. These problems weakened the relative good standing of the central business district which in the recent past had flourished with high sales volume and dollar income.

These findings are valid in 1968. To strengthen the central business district the recommendations made in 1962 can be repeated. Those recommendations include: reducing congestion by eliminating on-street parking and the increase of off-street spaces; by-pass routes to take through-traffic off downtown streets; modernization of retail stores; increased freedom and comfort for pedestrians; provision of new facilities in the form of civic, educational, and social activities; and the redistribution of major functional uses into concentrated groups for increased convenience.

Some progress has been made in these areas. The Parking Authority has announced plans to construct a parking garage on Market Street; the Roosevelt Boulevard Extension has been opened and has reduced through-traffic on Main and Washington Streets; the Kernville Elevated By-Pass is under construction; and plans have been submitted for an extension of Cooper Avenue. A new shopping center and new apartments have been opened in the Market Street West Redevelopment Project. More land will be made available in this area. Tentative plans to locate the new library in the cleared area are being considered, and additional parking in the vicinity of the War Memorial Area is to be provided. These are consistent with the Central Business District Study and supported by the present study.

Regional Economic Base Study - An Evaluation of Future Employment Opportunities

(Prepared for Simonds and Simonds by Larry Smith & Co., Chicago, 1963.)

This study was prepared for Simonds and Simonds, acting in their capacity as consultants to the Regional Planning Commission. It concentrates on an evaluation of those economic characteristics of the region which determine future prospects for existing industries and provide a basis for attracting new industries into the area.

The two major problems established are chronic unemployment and population outflow. They are the result of an extreme dependence on coal and iron, a dependence which has created an economic lopsideness of the region, exposed and vulnerable to economic fluctuation. Six years later, in 1968, the same problems remain.

In 1963 the Larry Smith & Co. study reported that the economic base "reveals that the region is equipped with limited resources capable of reducing appreciably the present economic hardships." The present survey can find little or no change in the economic base despite the efforts of the nonprofit Industrial

Development Corporation and the receipts of more than fifty million dollars in Federal and State funds.

Both surveys would agree that the area's assets are these: the trained work force with a long habit of work and skills acquired in existing industries; the potential availability of low-cost industrial sites; and the relatively centralized location with regard to major U. S. markets.

The unrealistic expectation of a revival of former economic determinants tends to offset potential strengths. The leadership interviews and the household surveys conducted in 1968 both discovered attitudes on the part of area residents that show this dependence on the revival in coal and steel are still present.

The nine recommendations presented in the economic base study should be reviewed. Some have been actively attempted. Among those recommendations are: the implementation of a comprehensive urban renewal program within the framework of regional planning; improvement of access highways; the organization of an industrial program; solicitation of federal funds; and the establishment of community education, retraining, and recreational facilities.

The present report could support these recommendations. This study reaffirms that Johnstown area community leaders have received information that will alleviate their problems. Action is required.

What Future Do Kids Have Around Here?

(Prepared by Simonds and Simonds, Pittsburgh, Pennsylvania, for the Regional Planning Commission of the Johnstown Area, 1964.)

Consultants for the Regional Planning Commission prepared this long-range development plan and presented it in 1964. The communities represented in the Planning Commission were: Johnstown, Brownstown, Daisytown, Dale, East Conemaugh, Ferndale, Geistown, Lorain, Middle Taylor, Richland, Southmont, Stonycreek, Westmont, West Taylor and Cambria County (represented by the Commissioner's Office). The preparation of the report was aided financially through a Federal Grant from the Urban Renewal Administration and Home Finance Agency, under Section 701 of the Housing Act of 1954 as amended.

The material presented covers: existing and proposed land use; existing and proposed thoroughfares; physical characteristics, population and housing; economic base; community facilities, recreation; urban renewal; fiscal and capital improvements; and effectuation. This is a complete analysis of the area, its resources and their uses as well as the potential of Greater Johnstown.

It emphasizes the necessity for community cooperation. To accomplish some proposals that will require joint municipal action, a Regional Capital Improvements Committee is suggested. Members of the proposed committee would be:

1. One official appointed by and representing each local governing body.
2. One representative from each local planning commission.
3. One representative of each existing or future authority.
4. One representative from each existing school board.
5. One representative of the county.

This is a most significant proposal. The present study would concur that such a committee be established to tackle area problems.

Other data collected about Johnstown and the region have been inspected. The Report of the Johnstown Plan prepared by the Community Planning Services of Monroeville for the City Planning Commission in 1961 was reviewed to determine if the master plan was carried out. It is evident that this original master plan was not effectuated. It did serve to qualify the city for redevelopment funds.

The Neighborhood Analysis prepared by the County Planning Commission for the city provided current data on the problem areas of the city. The problems of obsolescence and decay that plague the core city of this metropolitan area are highlighted in the analysis. It should be reviewed by City Council to provide a blueprint for an action program.

The Advisory Council's survey of opportunities for blacks in education, housing, and employment has been mentioned elsewhere. It is a report on conditions that most Johnstonians are not aware of or, if they are aware, they choose to ignore. It should serve as a reminder that a potential for tension and conflict exists. It will not require outside agitators to exploit the situation. To ignore the inequities that exist will motivate the local black population.

In summarizing the various studies of the area one is impressed with the interest that Johnstown's leaders have shown in trying to get the facts about the Johnstown community and its problems. On the other hand, it is disappointing to find that leaders have been reluctant to act once data have been collected and solutions proposed. The School Board, the City Council, and other municipal officials have been slow to accept the advice they have solicited.

The reports and surveys are consistent in their findings. In all of them concerned with area problems, under-employment, unemployment, and the decline in population are cited. They all recognize the area's dependence upon coal and steel as a part of the area's problems. Topography, lack of transportation and public attitudes are contributing factors.

There is general agreement on approaches to reducing problems. Municipal cooperation, regional planning, area redevelopment and capital improvement have been suggested. In 1968 they remain to be accomplished.

CHAPTER 9

HISTORY AND GENESIS OF THE JOHNSTOWN AREA

This chapter seeks to bring together ecological and demographic data, economic data, and current social and cultural-historical phenomena which will explain to some degree recent and current socio-economic experience of the area.

No community behavior in the socio-economic sphere is completely devoid of the influences which may be traced to its antecedents. Area economic changes, whether they be growth or decline, will be shaped to some degree by the historical past. An examination of this history reveals a series of events and conditions which not only explain past developments but currently exert pressures on the future of the area.

Johnstown has been, in turn, an Indian village at the forks of the Connumach River, a leisurely farming community, an exciting transportation center, an industrial community built upon the iron and coal industries, and finally the core city of a metropolitan area with more than 200,000 people. During that evolution, the area suffered two disastrous floods, in 1889 and 1936, fantastic growth, and discouraging decline. This project is designed to examine those factors which will assist Johnstown in shaping its future.

The recorded history of Johnstown began in 1731. In that year the Pennsylvania government sent two of its agents, Davenport and Le Tart, on a scouting expedition into the western slopes of the Allegheny Mountains. At the forks of the Connumach River they located an Indian village of about 50 Delaware families. The town was called Connumach and was the site of the present city of Johnstown.

The Treaty of Fort Stanwyx, signed in November 1768, opened the territory around Johnstown to white men. This purchase in 1768 from the Indians of the Six Nations was the last made by the Penn family. Land tracts were patented by Charles Campbell, James Daugherty, and William Barr. The city of Johnstown comprises the area of the Campbell tract. The first actual white settlers within the area were probably Samuel and Solomon Adams, who settled along the Stony Creek in 1770. In 1793 Joseph Schantz purchased the Campbell tract for 435 pounds. The 249 acres cost him $8.50 per acre.

The name Schantz was anglicized to Johns when he moved to Johnstown in 1794, built a house, and began clearing land for a farm. In 1800 Johns laid out the town between the two streams, now the Stony Creek and the Little Conemaugh, just above their junction. He named the town Conemaugh Old Town after the Indian village and divided it into 141 lots, with streets, alleys, and parks. Some of the provisions in Johns' early plans have remained to be points of contention related to decision making in modern Johnstown. Legal issues have been raised about land uses concerning the Point Stadium, Joseph Johns Junior High School, and Central Park.

In 1834 the community was renamed in honor of its developer. At that time it was strictly an agricultural community. The valley now occupied by the city was utilized for farming because of fertile bottom land. Lumber was the only export item, shipped *via* local streams to the Pittsburgh area.

1835 marked the beginning of a new era for Johnstown. It became an important transportation center. The Pennsylvania Canal, authorized by the Pennsylvania legislature in 1824, was completed through the city in 1835. The canal was an extensive enterprise designed to connect the eastern and western parts of the Commonwealth. The system included a canal with locks and dams from Pittsburgh to Johnstown; a railroad on which cars were originally drawn by horses and later by locomotives, from Johnstown to Hollidaysburg; a canal from Hollidaysburg through the Juniata Valley and along the Susquehanna River to Columbia; and a railroad to the Schuykill River in Philadelphia. Johnstown was the link between the canal to the west and the Portage Railroad to the east. The system became an important transportation route across the State, but eventually was replaced by the more efficient steam railroad. In 1852, the Pennsylvania Railroad purchased the canal and the railroad became the major transportation medium.

It is significant that the Johnstown area experienced its first surge of major growth as a transportation center despite the mountainous terrain that frequently restricted freedom of movement. Johnstown continued to grow because it was located on the main line of the Pennsylvania Railroad and was served by major Baltimore & Ohio Railroad Company lines. However, with the elimination of water transportation and the decline in importance of rail transportation, Johnstown encountered difficulties. With the increased importance of motor and air transport, Johnstown's location in relation to transportation routes has been a factor in declining industrial activity.

The County of Cambria had been established in 1804. Ebensburg was chosen as the county seat because of its central location. Richland Township was chartered in 1833; the borough of Johnstown in 1841; Taylor Township in 1857; and East Conemaugh Borough in 1868. It was Johnstown, however, that was to grow to serve six counties as a trade and employment center, as well as a larger market area.

The presence of iron, coal, limestone, and water contributed to the early development of the iron industry in the area. The initiators of large scale iron works were King, Stewart, Shryock, and Schoenberger in 1840. King and Schoenberger sold their interests to a company of eastern financiers who formed the Cambria Iron Company in 1852. George S. Kelly's achievements in the development of the pneumatic steel making process highlighted the industrial expansion.

In the 1860's Johnstown took on the appearance of the growing industrial city. Cobblestone streets and board sidewalks appeared in 1860. Water lines were laid and a Western Union office opened in 1868. The city turned on its first gas street lights and by 1884 the first electric lights appeared in the mills. And in 1883 the street railway hauled its first passengers over the paved streets.

By 1889 Johnstown was a thriving city of 30,000. In addition to the iron industry, the city and the surrounding suburbs saw the development of farming, boating, mining, railroading, and other interests. But on May 30, 1889, an event occurred which has been referred to as the end of an era--an event that focused the attention of the world on this industrial complex. The dam at South Fork collapsed late on the afternoon of that day and resulted in the Johnstown Flood, which claimed 2,200 lives and did property damage estimated at over $17,000,000.

Great local effort and generous state and national contributions contributed to the area's recovery. On June 2, 1889, James McMillan, vice-president of the Cambria Iron Works, announced that the mill would be rebuilt. The city of Pittsburgh and the Commonwealth of Pennsylvania offered financial aid to rebuild 300 homes and 100 stores. Outside aid totalled $2,605,114, and was distributed on the basis of need to those who applied for aid. Recovery was rapid and the next few years saw a major rebuilding effort and continued economic and population growth which extended out to the hinterland and the higher elevations beyond the city. The Inclined Plane, constructed in 1891, accelerated growth in the Westmont section. Within three years following the flood, several major projects were dedicated. They included a new high school, the Cambria Library, and the Conemaugh Valley Memorial Hospital. The high school continues in use as Joseph Johns Junior High School and the library and hospital continue to serve the area.

It is of some significance that the school and the library are both presenting problems today. The Joseph Johns Junior High School is located in the present Market Street West Redevelopment Area. Some sentiment attached to the post-flood significance of this building has been responsible for the failure of the School Board and Redevelopment Authority to resolve problems that would lead to its demolition. The area has been zoned for commercial use but is unavailable because of the reluctance of older residents to see this symbolic landmark replaced.

A new library is to be constructed in a portion of this same redevelopment area. There remains some criticism about this move since the present library site is the original one and, with the present inadequate structure, is a symbol of Johnstown's resurgence after its historic flood. While these reminders of the city's ability to overcome disaster have served a purpose, it is also evident that they have adversely affected decision making and have further complicated problem solving in the 20th century.

The amity generated by the flood tragedy extended beyond the crisis and contributed to the merger of Johnstown and six surrounding communities late in 1889. On November 5, 1889, the six contiguous boroughs voted to unite with Johnstown to form a third-class city. The boroughs were: Grubbtown; Conemaugh; Woodvale; Millvale; Prospect; and Cambria. This was the first time a third-class city was created in this manner.

In spite of serious epidemics (including smallpox, influenza, and typhoid fever), labor turbulence, and World War I, the

Johnstown region continued to expand. The primary metals industry was expanding and so was the coal industry. Coal had taken a major position in the economy around the turn of the century and by 1920 Johnstown ranked as the ninth largest city in the Commonwealth, with a population of 67,327. During the early Twenties the district was riding the crest of a boom period. The Johnstown metropolitan area became one of the largest industrial centers between Pittsburgh and Philadelphia, with a population of over 105,000 in 1930.

Part of the city's growth in population was the result of annexations. Between 1897 and 1945 a total of 16 separate annexation actions were undertaken to create the current geographic limits of the city of Johnstown. It is significant that almost a quarter of a century has passed without a single annexation. When one considers the far reaching changes which have taken place during this period the failure to enlarge the geographic base of the city is an index to the needed additional study.

The annexations have seen Johnstown grow from the original 249 acre downtown site purchased by Joseph Johns from Charles Campbell in 1793 to its present size of 5.76 square miles, or 3,689 acres. The city's present boundaries follow the terrain of the valley, the city proper occupying the land at the lower altitudes, curving as the river curves, and jutting into other contributory valleys on all sides. The terrain has contributed to a proliferation of artificial municipal boundaries and the dividing of the area around the city into some 18 boroughs and townships. Low-level annexations were completed in 1945 but hilltop annexations have not begun. In fact, one decision that must be made in the immediate future is one relating to how the city and its neighbors can most effectively cooperate to solve area problems.

A look at the economic and population statistics shows that the Johnstown area has stopped growing. The depression of 1929 reversed the growth trend of the region and regression has continued to the present time except for a few brief intervals.

A seocnd great flood in 1936 cost more than $49,000,000 in property damages. Once again local effort and generous outside assistance combined to effect recovery. A flood control project by the U. S. Army Corps of Engineers that cost $8,670,000 in 1943 has made the city "flood-free." Continuous effort, however, is required to keep smaller streams open to protect the city from flash floods from the highlands.

The former strategic location along natural and man-made waterways that spurred the original growth is of little importance today. The area that developed as a transportation center is now at a disadvantage since modern highway and air transportation methods have not been able to cope economically with the rough terrain surrounding the valley. Transportation disadvantages, the lack of industrial diversification resulting from the past predominance of coal and steel industries, and unemployment have combined to cloud the local horizon.

Programs have been initiated over the years to keep Johnstown competitive but with limited success. In 1948 the Johnstown Municipal Airport was dedicated as the fifth largest in the Commonwealth. In 1950 the Cambria County War Memorial Arena was opened. Two redevelopment projects in the Cambria City area have provided new land for light industry. The Market Street West Project is now in progress to revitalize the downtown area and the central business district. A joint authority of Johnstown, Westmont, and Southmont purchased the water company from Bethlehem Steel Corporation in 1963 and eleven municipalities cooperate with the city in its sewage disposal system. Most recently the city has entered into a partnership with the state in a 90-day renewal program. Each of these attempts to serve the area are significant. Yet the future of the Johnstown area depends to a large degree on the solving of the basic economic problems.

CHAPTER 10

THE MANY FACES OF THE AREA

No single definition of the Johnstown area is adequate for all purposes of economic and social description or analysis. The city of Johnstown has an "open economy"--that is, national economic events have an important impact on local economic conditions. No area that conforms to political boundaries is likely to be a truly homogeneous economic unit, and this is particularly true of a small area, because it has little impact on the national economy. Therefore, several gergraphical areas must be considered in any inquiry into Johnstown's local economic conditions.

Nevertheless, a persuasive case can be made for using political units to approximate economic units and to single out small units with a certain economic homogeneity. Policy decisions affecting local economic conditions have to be made at all levels of government. The political structure provides a means by which much economic information about a given area can be gathered; and it also provides a means for carrying out economic policy decisions. Therefore, among the areas selected as approprialte for the purposes of this inquiry, some conform to political boundaries and some do not. They are described below, beginning with the unit central to all others--the city.

The City of Johnstown. Johnstown, the only city in Cambria County, lies in a high valley of the Allegheny Mountains in the southwest quarter of Pennsylvania. These mountains form part of the old, low Appalachian Mountain Range, no part of which rises any higher in Pennsylvania than 3,213 feet. This peak--Mount Davis--rises a few miles south of Johnstown in Somerset County.

Low as they are, these mountains make surface transportation difficult in Pennsylvania, although easier routes through them can be found in other states. The mountains run from southwest to northeast and must be crossed over or tunneled under in order to move east and west or north and south. Because large concentrations of population exist less than 100 miles west and 200 miles east of Johnstown, surface routes between them have been built, even though expensive. The city is served directly by one of these. Johnstown lies along what was the main line of the former Pennsylvania Railroad and is now one of the two main lines of the Penn Central system.

The Pennsylvania Turnpike uses the roadbed and tunnels of an abandoned railroad project to provide an east-west toll superhighway with easy grades, and two of its interchanges--Somerset and Bedford--lie less than 40 miles south of Johnstown. The William Penn Highway (U. S. 22) crosses Cambria County ten miles north of the city and the Lincoln Highway (U. S. 30) crosses Somerset County between Johnstown and the turnpike. However, first-rate north-south routes have been lacking until very recently.

The nearness of the city to the turnpike interchanges has not made it easy to get motor freight into and out of the city. Carriers commonly bring freight no further than terminals at the Bedford or Somerset interchanges. Even the east-west routes have not been uniformly first-rate. On the main line of the former Pennsylvania Railroad, freight has to be hauled over steep grades, a factor that has always put this line at something of a disadvantage compared to the Penn Central's other main line in New York, the "water level," lower-cost route of the former New York Central Railroad. Thus the city has been somewhat isolated, although the rails that opened up much of this Nation for settlement were rolled in Johnstown.

Johnstown has been a steel-producing city for more than a hundred years, and it is not by accident that it has been called "Little Pittsburgh." Even its situation at the confluence of two streams, in a valley too narrow to provide suitable sites for today's industrial expansion, resembles that of Pittsburgh. In fact, it was the coal and iron ore of the Southern Laurel Highlands region adjacent to Johnstown that started Pittsburgh on its way to becoming a world steel capital. Topography had a good bit to do with Pittsburgh's becoming a large steel city and Johnstown's remaining a small one. The rivers that embrace Pittsburgh are navigable; the streams that embrace Johnstown are not. No mountains separate Pittsburgh from the interior of the continent as they do Johnstown. Instead, the rivers at Pittsburgh provide access to the entire Mississippi River system and they are among the most heavily used in the Nation.

Johnstown and Pittsburgh also have in common the problem of urban blight. Solutions were sought earlier and on a larger scale in Pittsburgh than in Johnstown, and the "Pittsburgh Renaissance" is renowned. Johnstown is still trying to solve its problem and for this reason, among others, it will be useful in this inquiry to look into small areas within the city and its immediate surroundings.

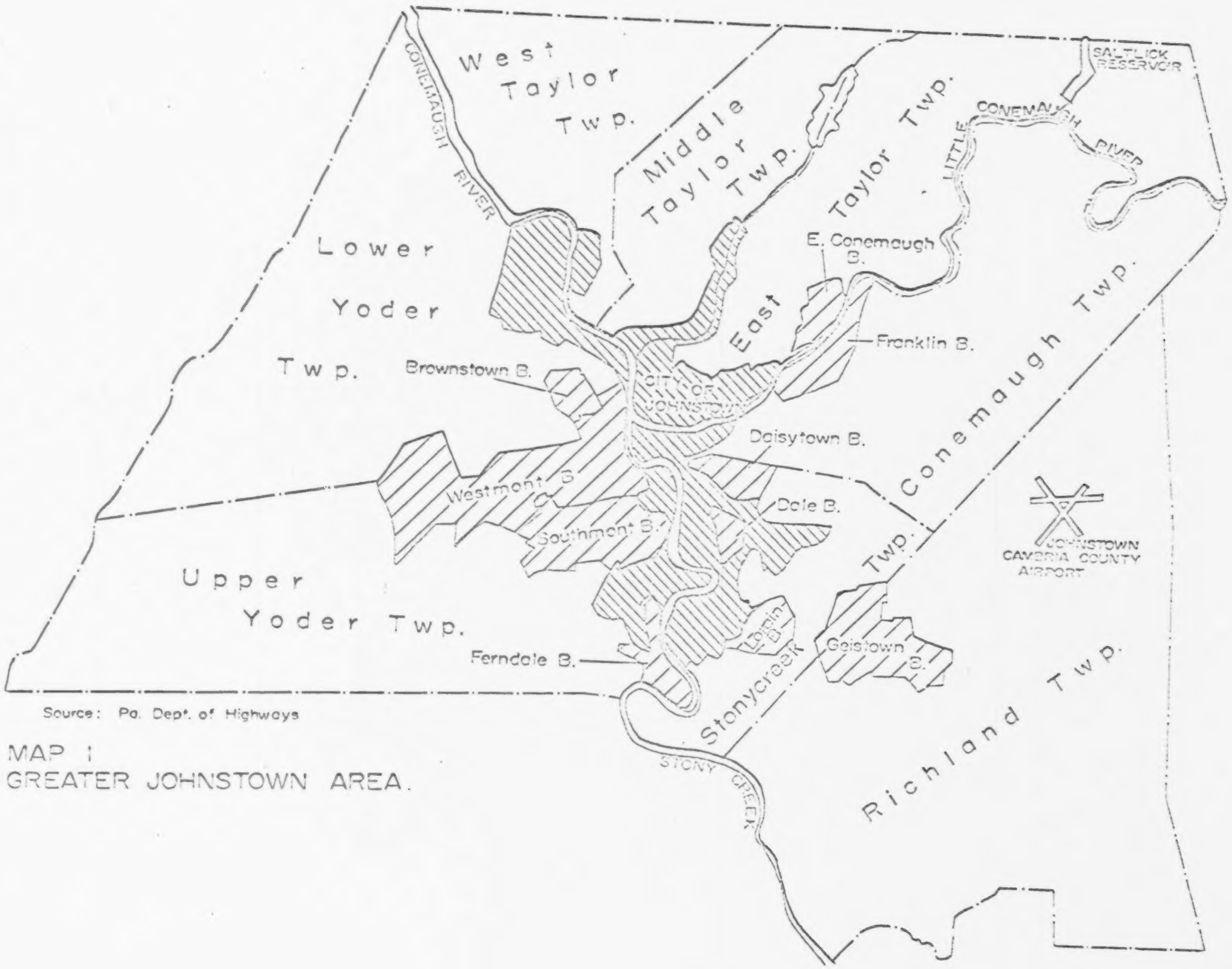
The Greater Johnstown Area. Since development has occurred away from rather than in the central city, its boundaries have become less important than they once were for descriptive and analytical purposes. A heavily industrialized and populated sector has grown up around Johnstown that over years of planning activities has been variously defined for various purposes. For this study, a metropolitan area to be called the "Greater Johnstown Area" has been defined that includes 19 communities and that lies entirely in Cambria County. In 1960 it had 112,641 inhabitants, of which 53,949 were inhabitants of the central city. In addition to the city, the Greater Johnstown Area consists of the boroughs of Brownstown, Daisytown, Dale, East Conemaugh, Ferndale, Franklin, Geistown, Lorain, Southmont, and Westmont; and the townships of Conemaugh, East Taylor, Lower Yoder, Middle Taylor, Richland, Stonycreek, Upper Yoder, and West Taylor (see Map 1).

As so defined, the Greater Johnstown Area coincides with the area recommended in 1967 by the Cambria County Planning Commission as a suggested sphere of operations for the Regional Planning Commission of the Johnstown area. The same area has also been used previously, on occasion, for planning studies. Much planning must be done and many plans must be carried out by municipal governments and by the agents of municipal governments; and a definition of this area in terms of political boundaries, rather than in terms of population density alone, seems appropriate.

Parts of the Greater Johnstown Area outside of the central city have been tracted by the Census Bureau, and these two will be examined for purposes similar to those for which the city census tracts are used.

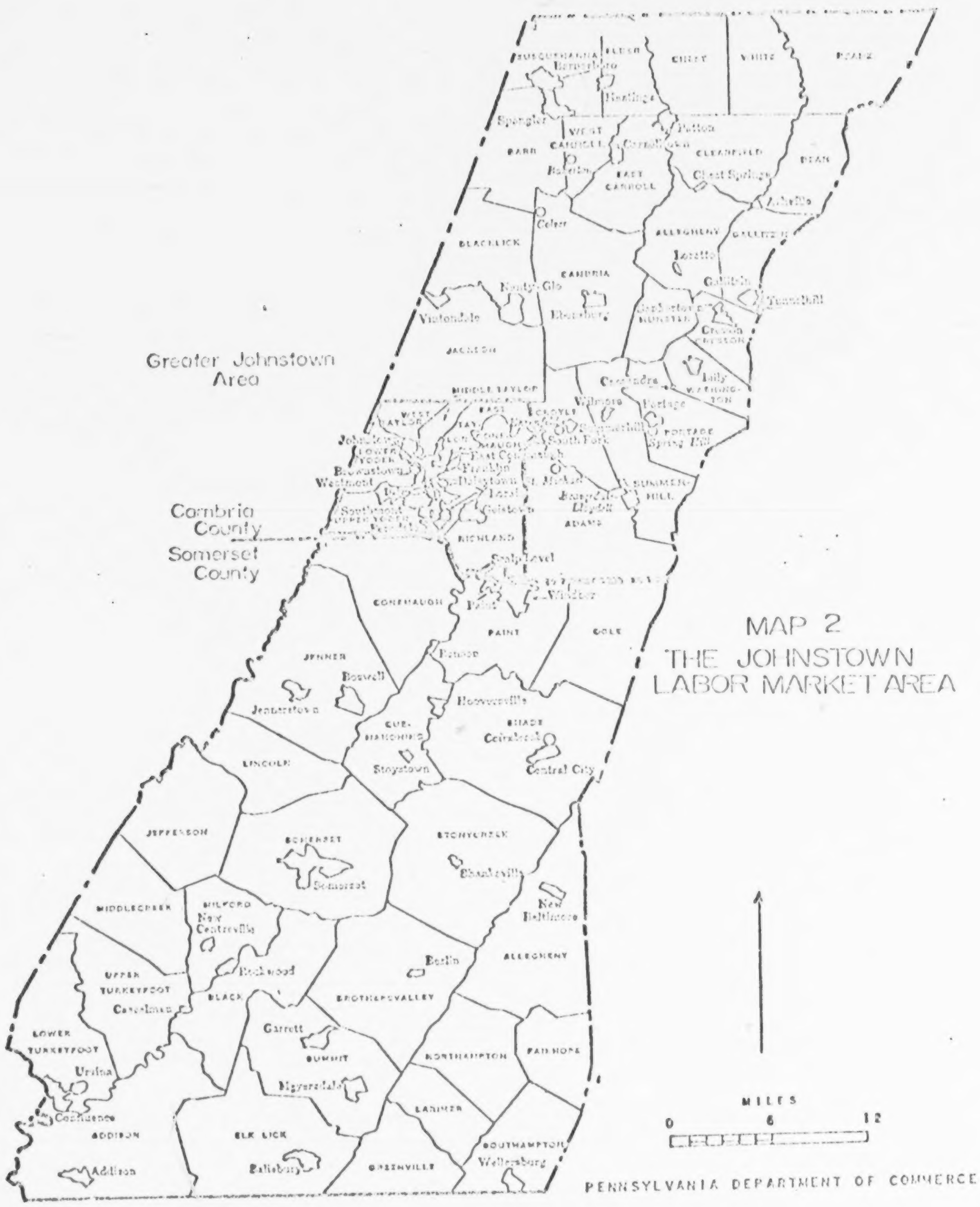
The Johnstown Labor Market Area. An even larger local area that also is closely allied to the city is used in this study as a basic geographic area. In order to follow employment trends, the U. S. Department of Labor has identified what are called "labor market areas." The extent of the LMA is determined largely by commuting patterns of employed residents. It includes a central city or cities and the surrounding territory within a reasonable commuting distance. The concept of the labor market area is a recognition of the trend toward increased suburban development. For a county to be included in a labor market area, there must be considerable integration with the central county, and workers must be able to change jobs readily within the area without changing residence. The Johnstown LMA consists of Cambria and Somerset Counties (see Map 2).

Although these counties qualify as a labor market area, they are not wholly uniform in economic character, and these internal differences and relationships will be examined in some detail in this study. Cambria is a coal-mining, steel-producing, heavily industrialized member of the pair; Somerset, the agricultural, scenic, recreationally-oriented member. The divisions are not,


West Taylor Twp.
Middle Taylor Twp.
East Taylor Twp.
Lower Yoder Twp.
Upper Yoder Twp.
Conemaugh Twp.
Stonycreek Twp.
Richland Twp.
CONEMAUGH RIVER
LITTLE CONEMAUGH RIVER
SALTLICK RESERVOIR
STONY CREEK
E. Conemaugh B.
Franklin B.
Brownstown B.
CITY OF JOHNSTOWN
Daisytown B.
Westmont B.
Southmont B.
Dale B.
Lorain B.
Ferndale B.
Geistown B.
JOHNSTOWN CAMBRIA COUNTY AIRPORT

Source: Pa. Dept. of Highways

MAP I
GREATER JOHNSTOWN AREA.


Greater Johnstown Area
Cambria County
Somerset County
SUSQUEHANNA
Barnesboro
CHEST
WHITE
READE
Hastings
Spangler
WEST CARROLL
Carrolltown
Patton
BARR
CLEARFIELD
DEAN
EAST CARROLL
Chest Springs
Ashville
Colver
BLACKLICK
ALLEGHENY
GALLITZIN
Loretto
CAMBRIA
Nanty-Glo
Gallitzin
Tunnelhill
Vintondale
Ebensburg
MUNSTER
Cresson
CRESSON
JACKSON
Lilly
WASHINGTON
MIDDLE TAYLOR
Wilmore
Portage
WEST TAYLOR
EAST TAYLOR
CROYLE
Johnstown
LOWER YODER
CONEMAUGH
South Fork
PORTAGE
Spring Hill
Brownstown
East Conemaugh
Franklin
Westmont
Daisytown
St. Michael
SUMMERHILL
Southmont
UPPER YODER
Lorain
Geistown
Ehrenfeld
Lilly
ADAMS
RICHLAND
Scalp Level
Windber
CONEMAUGH
Paint
PAINT
OGLE
JENNER
Boswell
Benson
Jennerstown
Hooversville
QUEMAHONING
SHADE
Cairnbrook
LINCOLN
Stoystown
Central City
JEFFERSON
SOMERSET
STONYCREEK
Shanksville
Somerset
MIDDLECREEK
MILFORD
New Centreville
New Baltimore
Rockwood
Berlin
ALLEGHENY
UPPER TURKEYFOOT
Casselman
BLACK
BROTHERSVALLEY
LOWER TURKEYFOOT
Garrett
SUMMIT
NORTHAMPTON
FAIRHOPE
Ursina
Meyersdale
LARIMER
Confluence
ADDISON
ELK LICK
SOUTHAMPTON
Addison
Salisbury
GREENVILLE
Wellersburg
MILES
0
6
12

MAP 2
THE JOHNSTOWN
LABOR MARKET AREA

PENNSYLVANIA DEPARTMENT OF COMMERCE

of course, clean. In one corner of industrialized Cambria County is the largest state park in Pennsylvania--Prince Gallitzin. In Somerset County may be found not only a county seat that has been called "the roof garden of Pennsylvania" but also coal mines and clusters of factories. In 1967 Cambria County was estimated to have over 70 percent of the labor market area population; Somerset, under 30 percent.

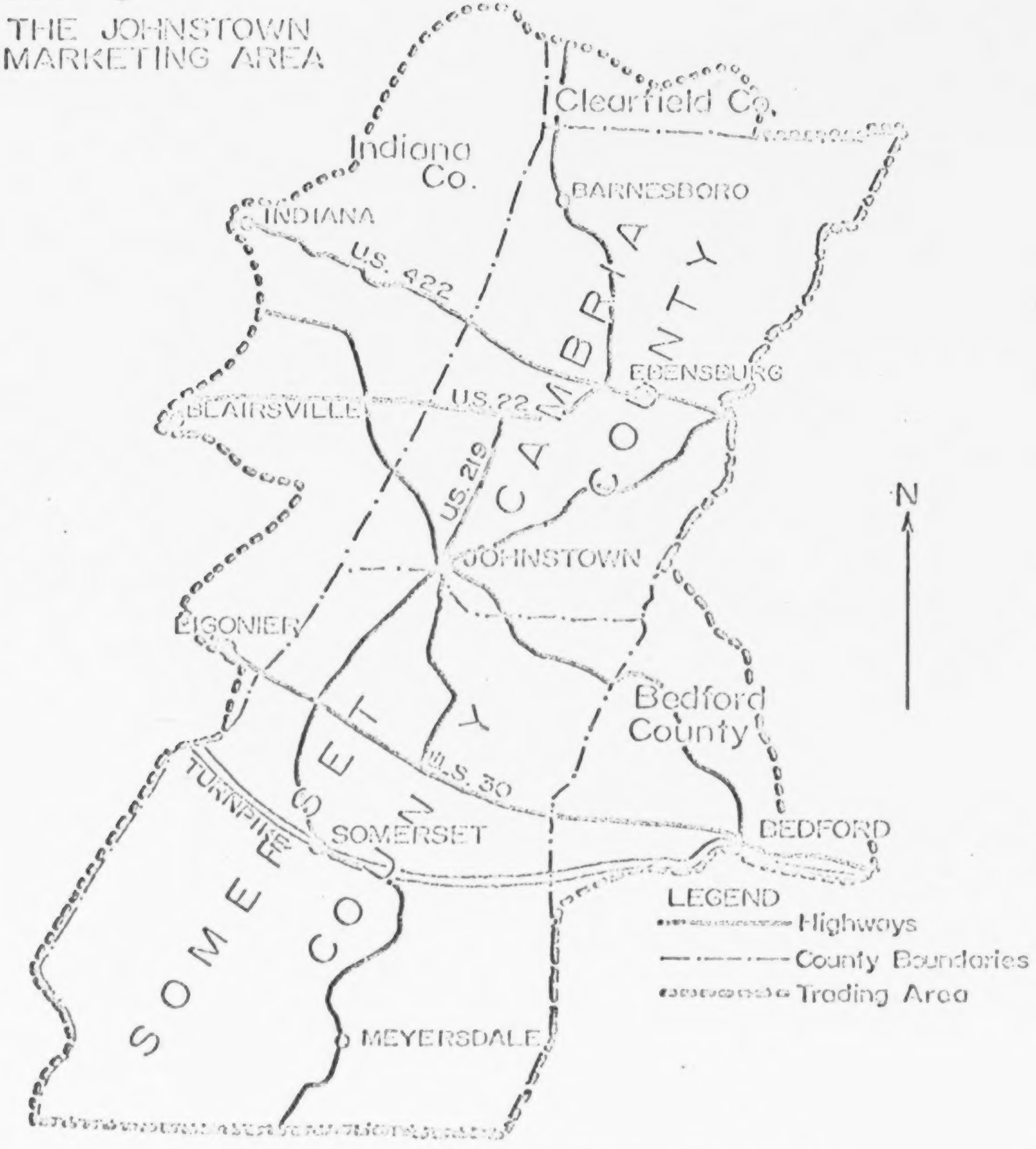
By and large, the upper part of Cambria County from U. S. Route 22 north to the Clearfield County line is a bituminous coal mining section. From U. S. 22 south to the Somerset County line is the heavily industrialized, thickly populated section that includes the Greater Johnstown Area. Somerset County may be roughly divided into three bands: a narrow band of industrialization on the northern border next to Johnstown; a wide midsection between Windber and New Baltimore that is oriented toward the county seat and turnpike interchange, with their accompanying industrial cluster, at Somerset Borough; and a mountainous band running from Berlin to the Maryland line that is agricultural and recreational and that includes Mount Davis and the maple sugar festival town of Meyersdale. Within these bands are distinct job commuting patterns that will be noted later in this study.

The Johnstown labor market area coincides exactly with what the U. S. Bureau of the Budget calls the "standard metropolitan statistical area," a concept devised so that various Federal agencies can use the same area for general-purpose statistics.

The Johnstown Marketing Area. The Johnstown marketing area embraces about 3,000 square miles and includes some 146 communities. The Cambria-Somerset County area has a total population of 280,000 living in 112 communities with a 1,198 square mile area (see Map 3).

Secondary areas within the trade area include parts of Westmoreland, Indiana, Clearfield, and Bedford Counties. This trade area represents the general Johnstown market determined by analysis made through newspaper circulation and advertising.

MAP 3
THE JOHNSTOWN
MARKETING AREA


Clearfield Co.
Indiana Co.
BARNESBORO
INDIANA
U.S. 422
CAMBRIA COUNTY
EBENSBURG
BLAIRSVILLE
U.S. 22
US. 219
N
JOHNSTOWN
LIGONIER
Bedford County
U.S. 30
TURNPIKE
SOMERSET
BEDFORD
SOMERSET COUNTY
MEYERSDALE
LEGEND
Highways
County Boundaries
Trading Area

Source: Advertising Dept., Johnstown Tribune-Democrat

Access, via main roads directly to the central core of Johnstown, is gained by:

(1) Route 56: Solomon Run Expressway extends through the center of Johnstown from Bedford to Indiana. Further expansion calls for the Kernville Elevated to connect with the Roosevelt Boulevard Expressway.

(2) Route 53: Extends through Johnstown from West Virginia to northeastern Pennsylvania.

(3) Route 403: Extends from Johnstown northwest to U. S. 22 and Pennsylvania 119.

(4) Route 271: Extends from Route 30 at Ligonier through the center of Johnstown northward to U. S. 22.

(5) Route 711: Extends from Johnstown westward to Route 30 at Ligonier, to the turnpike and Route 119.

Primary access to the central core of the Johnstown Marketing Area is gained via the following major highways:

(1) U. S. Route 30: 16 miles south of the city of Johnstown.

(2) U. S. Route 22: 9 miles north of the city of Johnstown.

(3) Pennsylvania Turnpike: 27 miles south of the city of Johnstown.

(4) U. S. Route 219: North-south expressway passes 2 miles from City Hall and is linked to the central core via Pennsylvania Route 56, U. S. 22, and the Pennsylvania Turnpike.

The last-named route, U. S, Route 219, Johnstonions call their "lifeline." It passes through both counties and connects U. S. 22, the city of Johnstown, and the borough of Somerset with the Pennsylvania Turnpike. It is being relocated and rebuilt into a four-lane, limited access, high-speed road, and will supply the missing link with other main highways that Johnstown has so long lacked (see Map 4).

Johnstown and Other Metropolitan Areas. Johnstown's performance can be usefully compared to the performance of other areas that have been designated as labor markets and a group has been selected for comparison purposes on the basis of their general comparability with Johnstown in population size and location. Some are depressed areas, others are exceedingly prosperous. Their characteristics, similarites, and differences will be discussed when detailed comparisons are made in the course of this study. Their population size and geographic coverage are listed below.

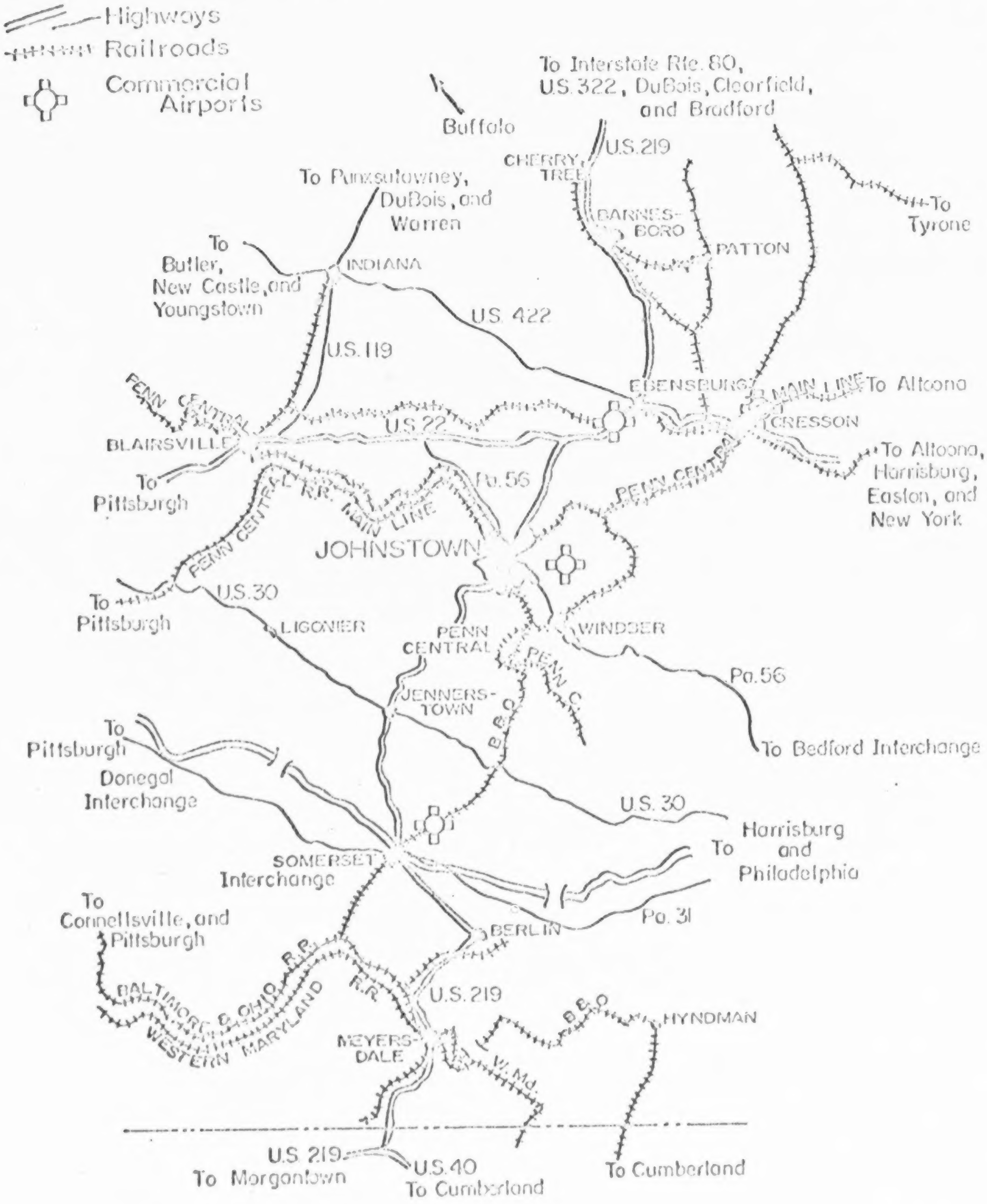
Labor Market	Counties Included	1960 Population
Altoona	Blair	137,270
Erie	Erie	250,682
Lancaster	Lancaster	278,359
Reading	Berks	275,414
Scranton	Lackawanna	234,531
York	Adams, York	290,242

Finally, some consideration will be given to Johnstown's relationship to the much larger Pittsburgh labor market. From its past history, the Johnstown area might be expected to conform closely to the economic patterns of Pittsburgh, and to a certain extent it has; but there are some important differences. Pittsburgh's comparative advantage in location has already been noted with respect to topography. It also has the advantage of being located in the large concentration of population that lies south and east of the Great Lakes, although Johnstown may be near it.

Then there have been enough differences to matter in the industry mix of the two areas. It has been found that during the decade 1950-1960 the industry mix in Pittsburgh was not unfavorable

MAP 4

JOHNSTOWN AREA
TRANSPORTATION ROUTES.

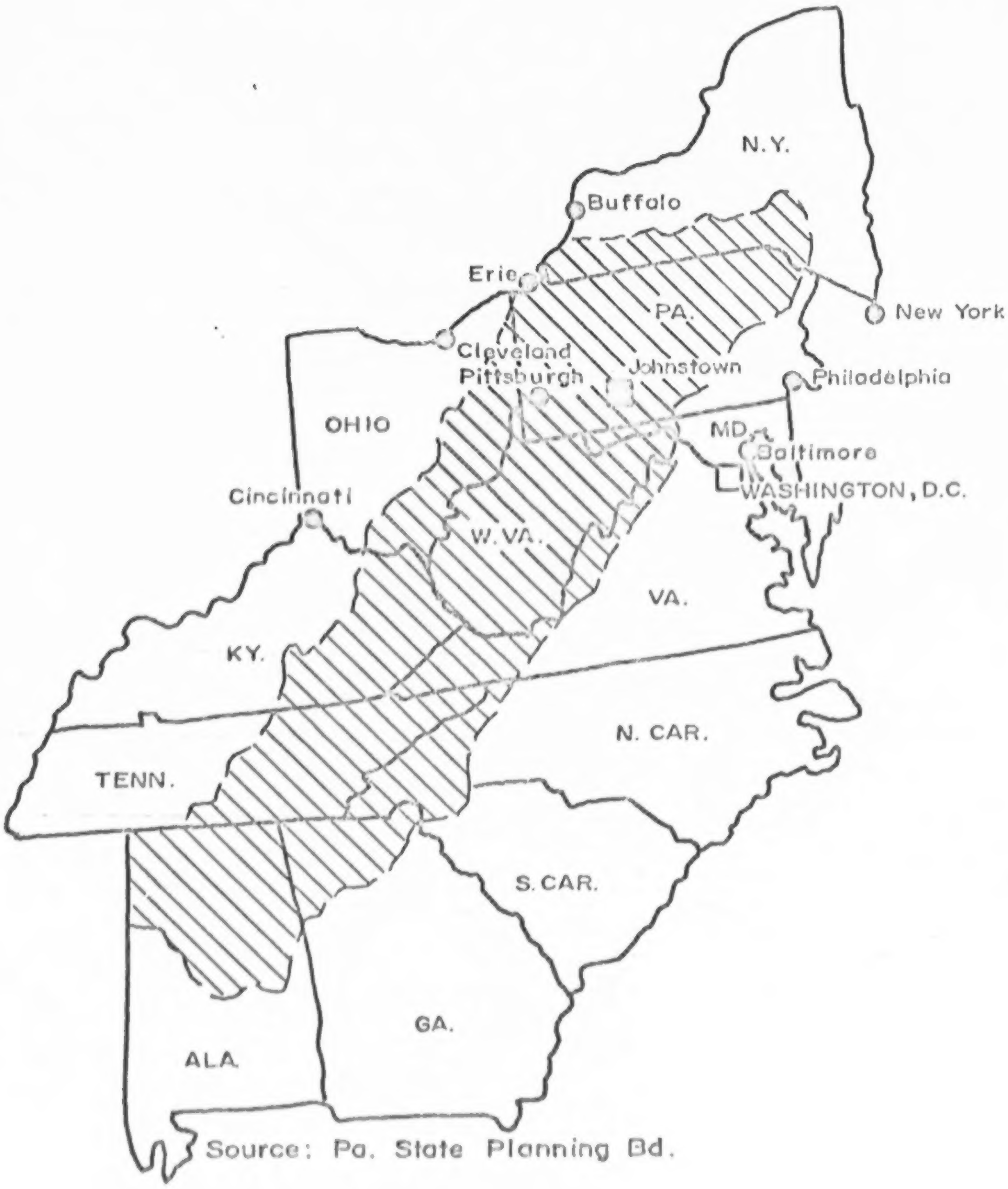

Highways
Railroads
Commercial Airports
Buffalo
To Interstate Rte. 80, U.S. 322, DuBois, Clearfield, and Bradford
U.S. 219
CHERRY TREE
BARNESBORO
PATTON
To Tyrone
To Punxsutawney, DuBois, and Warren
To Butler, New Castle, and Youngstown
INDIANA
U.S. 422
U.S. 119
PENN CENTRAL
EBENSBURG
MAIN LINE
To Altoona
CRESSON
BLAIRSVILLE
U.S. 22
To Altoona, Harrisburg, Easton, and New York
To Pittsburgh
PENN CENTRAL R.R. MAIN LINE
Pa. 56
PENN CENTRAL
JOHNSTOWN
To Pittsburgh
U.S. 30
LIGONIER
PENN CENTRAL
WINDBER
PENN C.
Pa. 56
JENNERSTOWN
B. & O.
To Bedford Interchange
To Pittsburgh
Donegal Interchange
U.S. 30
To Harrisburg and Philadelphia
SOMERSET
Interchange
Pa. 31
To Connellsville, and Pittsburgh
BERLIN
BALTIMORE & OHIO R.R.
WESTERN MARYLAND R.R.
U.S. 219
B. & O.
HYNDMAN
MEYERSDALE
W. Md.
U.S. 219
To Morgantown
U.S. 40
To Cumberland
To Cumberland

for employment growth. This means that the kinds of industries located in Pittsburgh grew nationally in employment during that decade. However, the kinds of industries present in the Johnstown area declined nationally in employment. As cyclical as Pittsburgh has proved to be in employment, Johnstown has proved to be even more so. According to the seasonally adjusted indexes of manufacturing employment calculated by The Pennsylvania State University, manufacturing employment deteriorated 18 percent in Pittsburgh and 29 percent in Johnstown during the 1960-61 recession. The seasonally adjusted indexes of unemployment rose 68 and 88 percent, respectively.

Johnstown and the Appalachian Region. If Johnstown is near, but not part of, any great population concentration, it is very much a part of the Appalachian Region of the United States, the highland region that sweeps diagonally from southern New York to northern Alabama (see Map 5). As designated for purposes of the Federal Appalachian Regional Development Act of 1965, it comprises 373 counties in 12 states, has an area 10 times the size of Switzerland, and is populated by more than 17 million people. Below its surface lie some of the Nation's richest mineral deposits, including the seams that have provided almost two-thirds of the Nation's coal supply. More than three-fifths of its surface is forested. The Appalachian Region has lagged behind the rest of the Nation in economic growth and its people have not shared fully in national prosperity. Its richness in natural resources has led to reliance on a few basic industries and a marginal agriculture, and the Region's past development has been uneven.

The Pennsylvania portion of the Appalachian Region includes 52 of the Commonwealth's 67 counties, more than 80 percent of its area, and 50 percent of its population. Pennsylvania's share of the region is the largest of any of the 12 states, in both area and population. The Pennsylvania portion has many of the economic and demographic characteristics of the region: historic emphasis on extractive industry, relatively low levels of income and education, and relatively high unemployment and outmigration. However, the

MAP 5
JOHNSTOWN AND THE APPALACHIAN REGION


N.Y.
Buffalo
Erie
PA.
New York
Cleveland
Pittsburgh
Johnstown
Philadelphia
OHIO
MD.
Baltimore
WASHINGTON, D.C.
Cincinnati
W. VA.
VA.
KY.
N. CAR.
TENN.
S. CAR.
GA.
ALA.

Source: Pa. State Planning Bd.

Pennsylvania portion differs from the rest of the Region in several significant ways:

(1) It is more urbanized: 63 percent of its population live in urban areas, as contrasted with 37 percent of the rest of the Region.

(2) It is more densely settled: There are 160 persons per square mile here, 75 in the rest of the Region.

(3) It has a much larger proportion of its population of foreign extraction. Some 23 percent of Pennsylvania's Appalachian population are of foreign stock, compared with 2 percent for the rest of the Region.

(4) It has a much higher percentage of the labor force employed in the manufacture of durable goods.

(5) It ranks highest among the Appalachian states in education and in most measures of per capita income and savings.

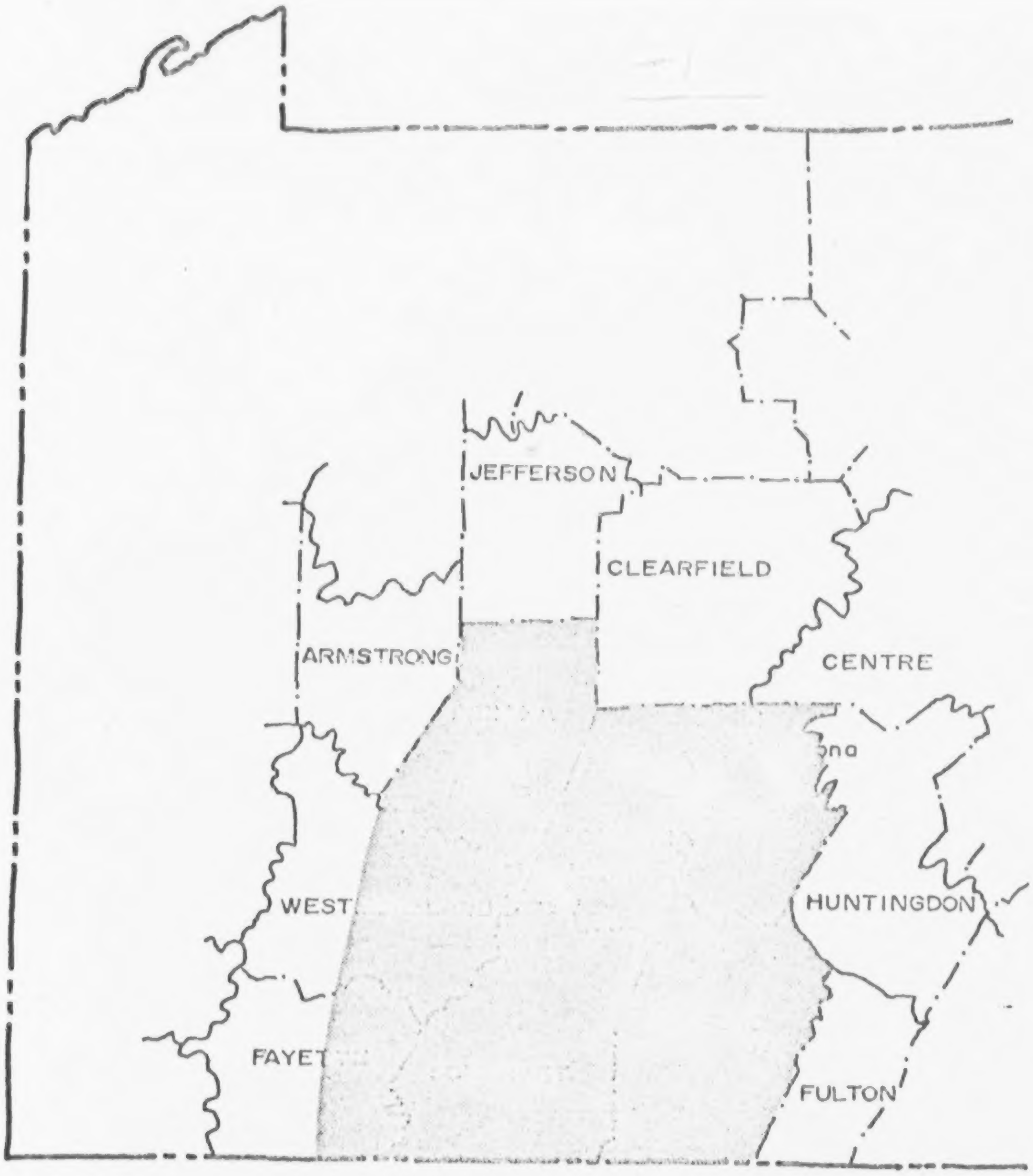
The Appalachian part of Pennsylvania is not entirely homogeneous, but most of the characteristics mentioned above do describe Johnstown: the emphasis on extractive and resource based industry; the lack of industrial diversification; the relatively high proportions of unemployment and out-migration; urbanization of the population; people of foreign extraction; and workers in durable goods manufacture. Johnstown also shares with the rest of Appalachian Pennsylvania a more favorable location with respect to population centers than is to be found in much of the 12-state region. It may not be surprising that 10 out of 43 areas identified as areas of primary growth potential within the region are located in Pennsylvania, or that Johnstown is one of them.

The Appalachian program is not a poverty program, and public investments must be concentrated in the region in areas where there is a significant potential for future growth--"growth" meaning employment increase. The program is a combined federal-state effort to spend a limited amount of dollars where they will do the most good for the most people with the result that the economy of the region will go from a dependent to a contributing level. Identification of the growth areas was made after a review of the region's 375 counties on the basis of several economic and demographic criteria. The designation enables the area to take maximum advantage of the program possibilities, which include investment for health and educational facilities--human resource facilities--and also for development and access highways, land conservation, mining area restoration, and many other purposes.

To what extent the Johnstown area has undertaken to develop the recreational potential at its door will be noted later in this study.

Other Areas. The various geographic areas described above are the most important and the most generally applicable to this study of economic conditions and human resources. This list is not, however, exhaustive. Other areas will be described from time to time in the study as they are needed for special purposes.

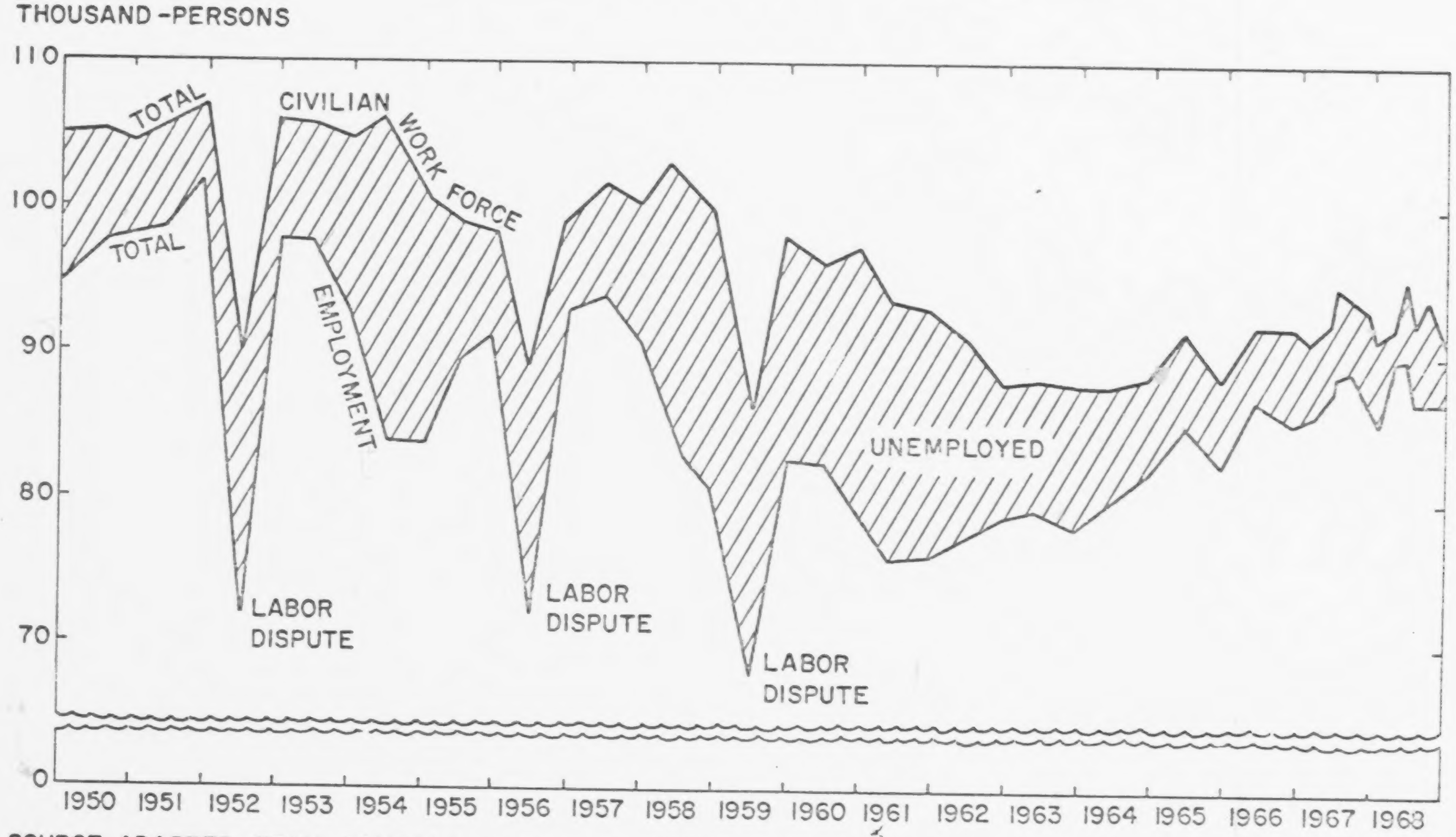
MAP 6
SEVEN-COUNTY COOPERATIVE AREA


JEFFERSON
CLEARFIELD
ARMSTRONG
CENTRE
ona
WEST
HUNTINGDON
FAYET
FULTON

▲ Colleges:-

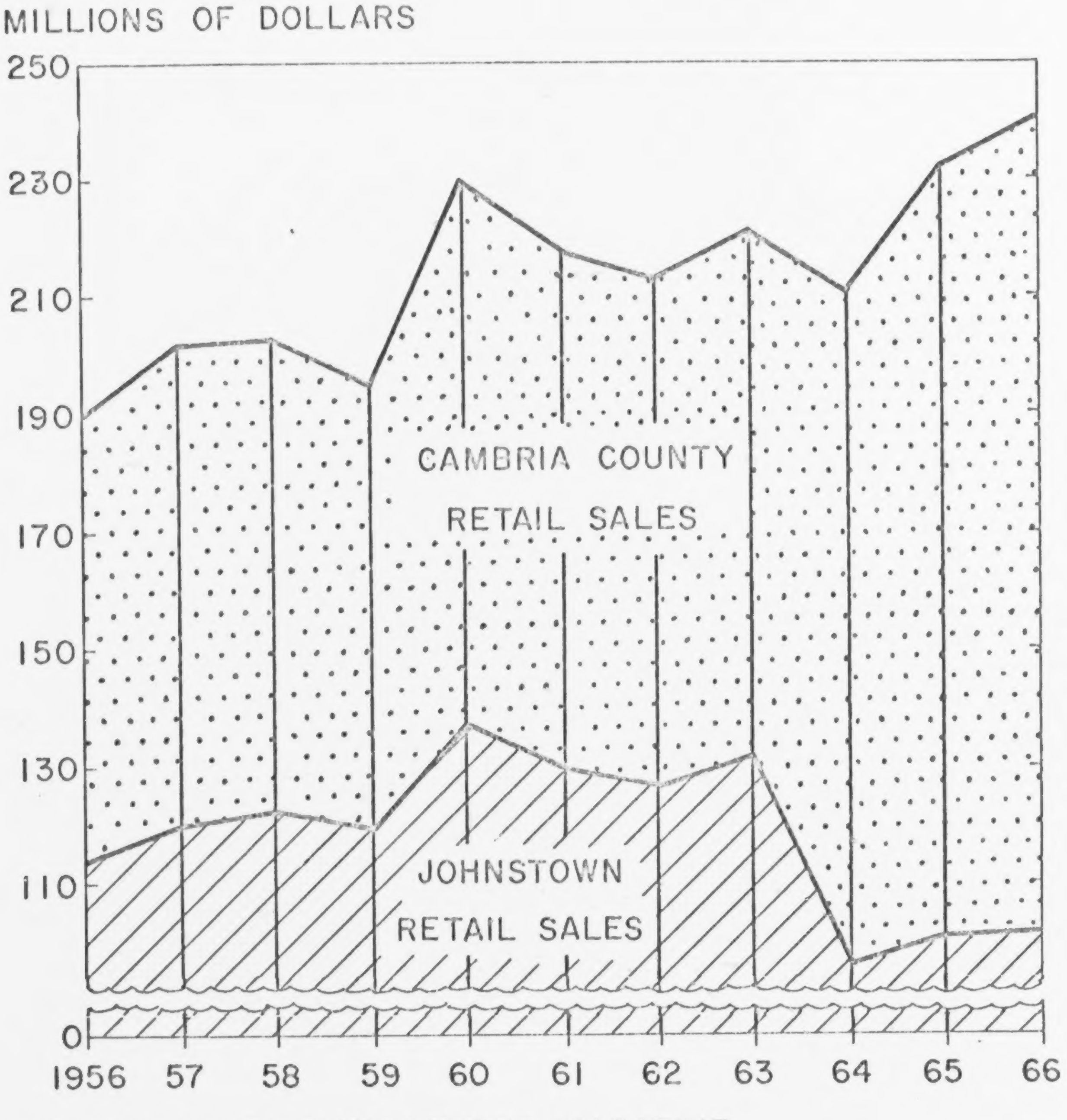
Indiana University of Pa. - Indiana
University of Pittsburgh - Johnstown
St. Francis College - Loretto
Mt. Aloysius Jr. College - Cresson
The Pa. State University - Altoona

FIGURE 4.
UNEMPLOYMENT,
TOTAL CIVILIAN WORK FORCE AND EMPLOYMENT
JOHNSTOWN LABOR MARKET AREA, 1950-1968



SOURCE: ADAPTED FROM CAMBRIA COUNTY PLANNING COMMISSION

FIGURE 5.
CAMBRIA COUNTY RETAIL SALES



SOURCE: SALES MANAGEMENT MAGAZINE

DROPS IN "64" RESULT OF DOWNTOWN RETAILER RELOCATING IN SUBURB.

TABLE 5

RETAIL SALES AND EFFECTIVE BUYING POWER
(Money firgures in $1000)

Year	Cambria Co. Eff. Buying Income	Johnstown Retail Sales	Johnstown Sales as % of Co. E.B.I.	Cambria Co. Retail Sales	Johnstown Sales % of Co. Sales
1956	296,966	$112,675	37.5	$187,787	60.0
1957	309,965	119,746	38.6	200,431	59.7
1958	311,771	120,618	38.7	201,468	59.9
1959	321,482	118,357	36.8	195,540	60.5
1960	323,063	137,374	42.5	228,906	60.0
1961	296,827	129,045	43.5	216,060	59.7
1962	300,810	125,681	41.7	210,478	59.7
1963	307,750	130,376	42.4	219,153	59.5
1964	327,826	93,603ϕ	28.6	208,352ϕ	44.9
1965	349,535	99,046	28.4	230,116	43.0
1966	380,983	99,376	28.5	239,571	41.5

* Source: Sales Management Magazine--"Survey of Buying Power"

ϕ This drop in sales indicates the year in which a major retailer located from a downtown location to the suburbs.

CAMBRIA COUNTY PLANNING COMMISSION

CHAPTER 11

POPULATION AND LABOR FORCE

This section of the report is concerned with a discription of the character and the utilization of the human resources of the Johnstown area[1] and provides some index to the welfare status of the people.

The first part deals with the general characteristics of the population. This discussion contains little by way of basic analysis since, for the most part, changes in population and labor force characteristics must find their explanation in more fundamental economic changes. Later sections of this report will deal with these causes. The nature of population changes does, of course, have important implications for economic and social policy: *e.g.*, education, housing, municipal control over the relevant tax base, *etc*. In this respect, also, the present discussion is a precursor to other sections of the report, where policy and program implications are discussed.

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[1] For purposes of this general population discussion, the "Greater Johnstown Area" (G. J. A.) is redefined to include the Borough of Scalp Level. This is done to make the G. J. A. comparable to "area a" as defined in *The County Statistical Report* of the Cambria County Community Action Council Inc.

Perhaps the two most important elements in the analysis of a population are (1) its characteristics and its utilization and (2) the social and material condition of the individuals. These two elements are obviously related. For individuals, material welfare is a function of income and income is strongly dependent upon employment. Perhaps the group most adversely affected by the economic status of the Johnstown area is the Negro. This situation has significant implications. For this reason the Negro and his income condition in Johnstown will receive particular attention. An obvious corollary consideration to the basic elements is the educational attainment of the population, since the earnings from employment are in many cases closely related with education and skill levels. Education will be discussed in the following section.

Population

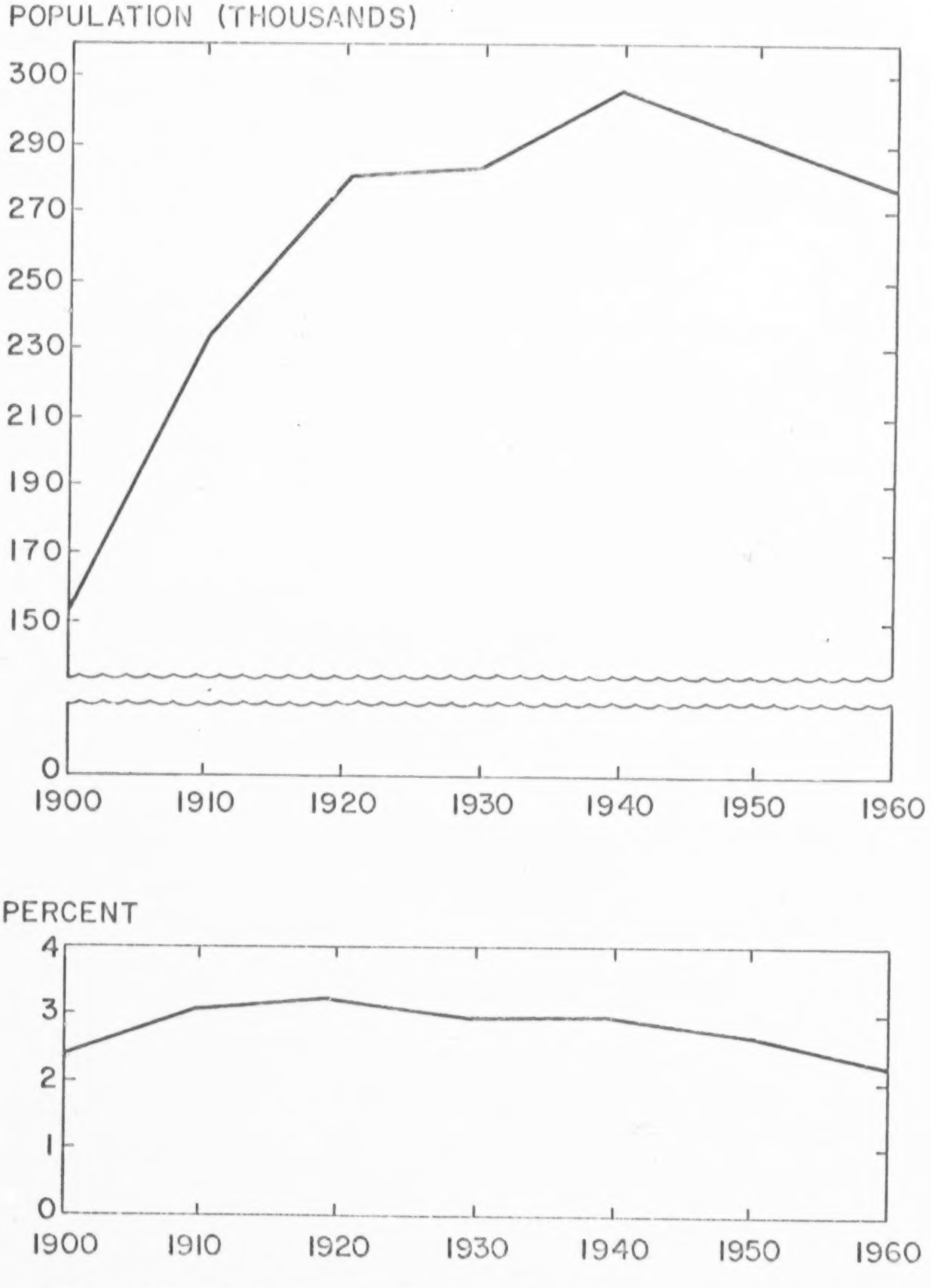
In the last several decades, if immigration is the index, Johnstown has been unattractive as a place of residence. This is indicated in Figure 6 when, from 1940 to 1960, there has occurred a steady decline in the population of the Johnstown Labor Market Area. The reasons for this will be made evident below.

Beginning with 1940 the Labor Market Area's population began to decline in absolute magnitude as well as relative to that of the state. In other words, the decline of the Johnstown population cannot be attributed to state wide changes, but rather to changes in the Johnstown region itself.

From 1940 to 1960 the segment of the population ranging from 15 years of age to 34 years of age fell from representing 36.4 percent of the total population to only 24.2 percent. In this connection it is significant that the population group aged 65 years and older almost doubled. It increased from 5.4 percent of the population to 10.3 percent. This was a change from a lower percentage than the Nation in 1940 to higher than the United States' percentage in 1960 (see Appendix Table A-2).

FIGURE 6.

POPULATION OF THE JOHNSTOWN LABOR MARKET AREA BY NUMBER AND AS A PERCENTAGE OF PENNSYLVANIA POPULATION, 1900-1960



SOURCE: APPENDIX TABLE B-1.

The population decline experienced by the Johnstown area between 1940 and 1960 has certain unfavorable economic implications, not only in absolute terms as a manpower resource, but also in terms of the component elements. First, a large part of the loss was in terms of Johnstown's prime manpower resources. Second, there has been a much greater than average increase in population which is not a source of production but rather a demand for services--the 65 and over group. This latter change will increase the burden of public support in Johnstown in the form of unearned transfer payments. Its significance will be discussed at greater length later.

The immediate explanation of population loss is, of course, outmigration. The evidence on outmigration is consistent with that already presented. Over the decade of the 1950's the Johnstown Labor Market Area lost 16.7 percent of its population through net outmigration; of this 55.5 percent were between the ages of 20 and 39 (see Appendix Table A-3). The relative net out-migration from the Johnstown area exceeded that of all seven labor market areas in Pennsylvania noted earlier.

TABLE 6

RELATIVE SEX DISTRIBUTION OF THE POPULATION, JOHNSTOWN LABOR MARKET AREA 1940-1960

SEX	YEAR		
	1940	1950	1960
MALE	51.5	50.4	49.2
FEMALE	48.5	49.6	50.8

SOURCE: U. S. Bureau of the Census, Census of Population. 1940, 1950, 1960.

Available data on population for the Johnstown Labor Market Area from 1960 forward is sparse and without detail. Further, such data are mostly provisional estimates and vary widely as shown in Appendix Table A-4. It is difficult to judge which of the estimates in this table is the most accurate. It is interesting to note, nevertheless, that 5 out of the 6 agree that a further decline in the population of the Johnstown area has occurred since 1960.

In order to examine the composition of the population change, it is necessary to select a specific estimate of total population since 1960. The one selected seems reasonable, but in addition is accompanied by an indication of the relative contribution of net migration and natural increase to the total change. From 1960 to 1965 the percent change in the population due to net migration was -7.7 or a loss of 22,000 people. For the same period the percent of natural increase was 3.8 or an absolute natural increase of 11,000.

The assumptions involved in estimating the age distribution in 1965 are relatively simple, but unfortunately this element results in some loss of accuracy. The first assumption is that the relative percentage contribution to migration was the same for each age-sex sub group for the period 1960 to 1965 as it was for 1950 to 1960. For example, for the period 1950 to 1960, 11.81 percent of the net migration was accounted for by males 20-25 years of age, and so, it was assumed that for the period 1960 to 1965, 11.81 percent of the 22,000 migration loss was accounted for by this age-sex group. This assumption seems to be reasonably realistic. The second assumption is that the relative contribution to the antural increase of the population is the same for each age-sex sub-group for the same two periods.

The directions of the changes included in Appendix Table B-5 indicate a continuance of the general trend begun in the decade of the 1940's. Johnstown's population is becoming less of a resource and more of a welfare burden. There is an increase from 10.3 percent in 1960 to 10.7 percent in 1965 for the contribution of the 65 and over group to total population. The proportion of the overall "essentially nonlabor force" component rose to almost 43 percent in 1965.

Turning now to an examination of the sub-areas of the Labor Market Area, the decline in population for the entire area has been shared between the two counties. During the decade of the 1950's Somerset County lost 5.3 percent of its population and Cambria County lost 3 percent of its population (see Appendix Table B-6). The result was that Cambria increased its share of the total Labor Market Area population from under 72 percent to over 72 percent. However, if current estimates are accurate, the increasing relative attractiveness of Cambria over Somerset County may well have been reversed after 1960 (see Appendix Table B-7). The indication here is that Cambria County has continued to lose population (5.5 percent between 1961 and 1966), while Somerset County over the same period increased its population by well over 2 percent.

Within both of the two counties, the movement toward urbanization of the population seems to have come to a halt a number of years ago. The urban population of Somerset County leveled off at approximately 20 percent of the county's population in 1940, and the same occurred in Cambria County in 1950 with the urbanized areas containing approximately 61 percent of the total population of the county (see Appendix Table B-8).

Obviously, the most important urbanized area in the Johnstown Labor Market Area is the city of Johnstown itself. Both sets of estimates in Appendix Table B-9 show a declining population for the city of Johnstown. The contrary is true of the Greater Johnstown Area. The Greater Johnstown Area in 1960 contained 40.6 percent of the population of the Labor Market Area, which was a higher percentage than in 1950. This was due to an increase in the population of the Greater Johnstown Area while the total for the Labor Market Area was declining. From 1960 to 1966, despite an absolute decline in population in the Greater Johnstown Area, its relative population concentration rose to 43 percent.[2] But while the Greater Johnstown Area was of increasing relative attractiveness to residents of the Labor Market Area, the city of Johnstown was relatively less enticing. From 1960 to 1966 the share of the city's population of the Greater Johnstown Area continued to decline.

The history of the population of the Johnstown Labor Market Area is characterized by two significant features of change: first, the population declined for the entire area and, second, the city of Johnstown lost population. The most significant factor in the decline of the population has been outmigration, although there was also a large drop in the birth rate.[3] Even though this section of the report has not yet examined the employment situation, it would seem that the reason for the loss of some of its best qualified manpower resources has been the Johnstown area's inability to provide sufficient and satisfactory employment for these people.

The loss of residents from the city of Johnstown itself does not seem to be due to the same type of economic causation, given the manner of change in the Greater Johnstown Area, but rather reflects changing residential preference and the ubiquity among Americans of the automobile. The change does, however, have significance for the city in its revenue policies; it is losing its tax base. The total population of this projection is based on an assumed unemployment rate of about 5.5%.

Although the unemployment rate may seem a bit low, it should be borne in mind the basic assumption underlying the employment projections of this section is a national unemployment rate of 3.5 percent. It is assumed that 1975 will not be a recession period for the national economy, whether due to government actions or a

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[2] Based upon the figure 113,925 for the Greater Johnstown Area.

[3] For the city of Johnstown the birth rate fell from 33.2 in 1956 to 16.8 in 1966. For the two counties the drop in the birth rate was not quite so large. (Pa. Dept. of Internal Affairs, Pennsylvania Statistical Abstract, 1968).

Table 7 presents the relative distribution of the Johnstown Labor Market Area for 1975.[4] The absolute distribution is presented further on in Table 11.

TABLE 7

RELATIVE POPULATION DISTRIBUTION BY AGE GROUP
FOR 1975 POPULATION PROJECTION

	Males	Females	Total
0- 4	5.2	5.0	10.2
5- 9	5.0	4.8	9.8
10-13	4.3	4.2	8.5
14-19	5.4	5.4	10.4
20-24	4.7	4.7	9.4
25-29	3.7	3.9	7.6
30-34	2.3	2.7	5.0
35-39	1.1	1.7	2.8
40-44	1.5	1.9	3.4
45-49	2.3	2.6	4.9
50-54	2.6	3.0	5.6
55-59	2.7	3.0	5.7
60-64	2.5	2.6	5.1
65 and over	4.9	6.3	11.2
Total	48.2	51.8	100

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[4] This projection was generously provided by Fred Young of Cambria County Planning Commission. The projection was done for the Commission by Cornell University.

healthy private sector. As shown in an earlier section the unemployment rate in Johnstown is much more highly volatile than that for the United States. Taking the best years for the U. S. economy since 1950, eliminating strike years and one year where Johnstown's economy lagged well behind the U. S. prosperity, and applying the average ratio of the two unemployment rates to the assumed national rate of 3.5 percent, the unemployment rate for Johnstown falls between 5 and 6 percent.

Unemployment of 5.5 percent is consistent with the employment projection made, historically stable labor force participation rates and population distribution, and the projected population of 283,000.

On the average since 1950 to 1966 (all years included) Johnstown unemployment exceeded that for the U. S. by better than twice. This means that if the U. S. unemployment were to rise to 5 percent, the unemployment rate in Johnstown would most probably be well over 10%. If this were to occur, the aggregate employment in Johnstown would be not much higher than what it is today.

Whether unemployment in Johnstown in 1975 is 5 percent or 15 percent, there is little question that, as long as the local economy lacks diversification, high unemployment rates for periods of some length will occur in the future due to the high reliance on durable goods manufacture.

Labor Force

The declining population of the Johnstown Labor Market Area not only dictates a declining labor force but also usually a lower participation rate. The labor force participation rate is the number of people over the age of 14 working or actively seeking work divided by the number of people in the population over the age of 14. Given the decline in the relative number of people in the prime working ages, one would expect a decline in the overall labor foce participation rate. However, this does not appear to be the case. The labor force participation rate in 1950 was 46.7

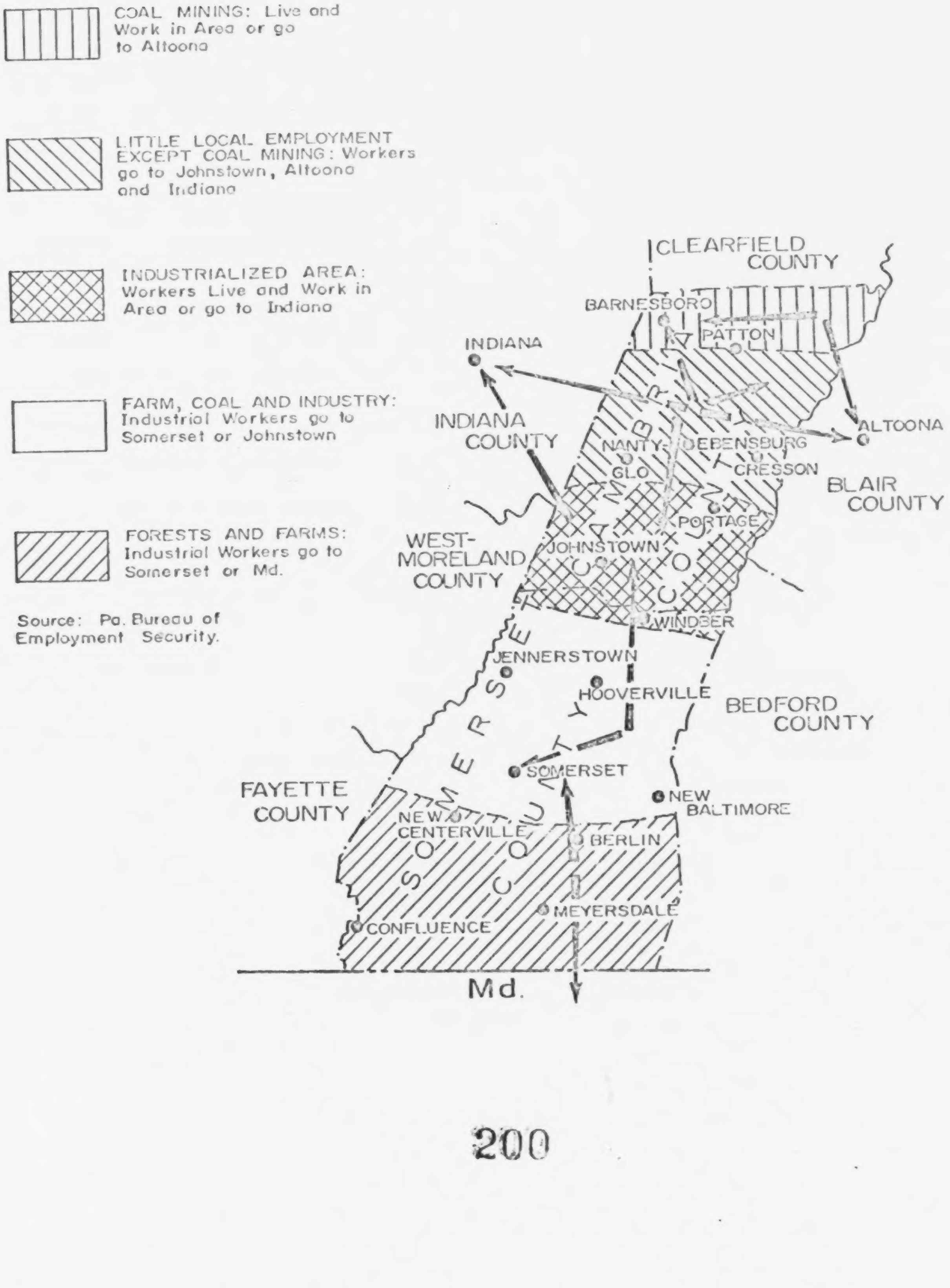
percent and rose to 47.8 percent in 1960. The reason for this increase in the face of the decline of the primary resource pool is primarily due to the increased participation of women as shown in Appendix Table B-10. Both the percentage of women in the total population and the relative participation of women have risen in past years. A lesser factor instrumental in maintaining the overall labor force participation rate has been the increased participation of males in certain age groups.

Another factor attributable to the rather depressed economic status of the area is the willingness, if not necessity, of workers to commute long distances to work (see Map 7). In areas where jobs are plentiful the labor resource is able to find employment close to home. The less employment in an area the greater will be the need to travel to distant work. The low income status of the area's population (which is discussed later) adds to the necessity for a worker to travel to obtain employment. In a survey made of Bethlehem Steel employees it was found that close to 13 percent of the workers traveled over 15 miles to work and 2 percent traveled more than 60 miles. Behavior of this nature as noted will tend to increase the labor force participation rate in the area.

Despite the increased participation of certain groups the labor force participation rate in Johnstown is quite low. The labor force participation rate for the United States as a whole in 1960 was 57.4. This is almost ten percentage points above that for Johnstown. It is not possible to explain this difference on the basis of population composition. For one thing in 1960 the percentage of the population contained in the age categories 0-14 years and 65 years and over was 41.3 for Johnstown and for the United States was 41.1. In other words, based on age, the relative non-labor force plus the normally inactive labor force in Johnstown was the same as the average for the country. Further, in 1960 there was no greater than a one percentage point difference between Johnstown and the U. S. for any of the population subgroups.

The explanation for the lower participation rate in

MAP 7
WORKER COMMUTING PATTERNS
IN THE JOHNSTOWN LABOR MARKET
AREA, 1968


COAL MINING: Live and Work in Area or go to Altoona
LITTLE LOCAL EMPLOYMENT EXCEPT COAL MINING: Workers go to Johnstown, Altoona and Indiana
INDUSTRIALIZED AREA: Workers Live and Work in Area or go to Indiana
FARM, COAL AND INDUSTRY: Industrial Workers go to Somerset or Johnstown
FORESTS AND FARMS: Industrial Workers go to Somerset or Md.
CLEARFIELD COUNTY
BARNESBORO
PATTON
INDIANA
INDIANA COUNTY
ALTOONA
NANTY-GLO
EBENSBURG
CRESSON
BLAIR COUNTY
CAMBRIA COUNTY
PORTAGE
WEST-MORELAND COUNTY
JOHNSTOWN
WINDBER
JENNERSTOWN
HOOVERVILLE
BEDFORD COUNTY
SOMERSET COUNTY
SOMERSET
FAYETTE COUNTY
NEW BALTIMORE
NEW CENTERVILLE
BERLIN
MEYERSDALE
CONFLUENCE
Md.

Source: Pa. Bureau of Employment Security.

Johnstown as compared with the Nation is attributable to a number of reasons. First, the labor force participation rate for women is much higher for the Nation than it is in Johnstown. Secondly, the labor force participation rate of both the very young and the very old are much lower in Johnstown than they are for the country as a whole. A partial explanation of these features of the Johnstown labor force is provided by the character of the industrial and occupational distribution of labor within the Johnstown Labor Market Area.

Employment

Industrial Distribution

Manufacturing provides close to one-third of the total employment in the Johnstown Labor Market Area. Better than one-half of that third is accounted for by the metals industry, and most of that is due to the operation of Bethlehem Steel.[5] The second most important industry next to metals is wholesale and retail trade (with most of employment in the retail sector). Services and Government are the next most important sectors (see Appendix Table A-11).

If these industries, which are basic industries, are eliminated along with Government, it is seen that Bethlehem Steel employs approximately one-third of the remainder. One-third of the basic income generating base of the Johnstown area is tied to a national market which is highly sensitive to the conditiions of the overall economy. This particular aspect of the industrial mix in Johnstown will have importance to the later discussion of unemployment.

There has been a slight trend toward diversification of basic industry.[6] Since 1953 there has been only a slight decline in growth in this sector despite a much larger decline in the metals industry. The major factor in this is the growth of the apparel industry in Johnstown.

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[5] 5. See Table 33 in the Projections section for the 1967 employment by industry.

[6] 6. Growth rates from U. S. Dept. of Commerce Bureau of the Census. Long Term Economic Growth (1860-1965).

The other industries which have had the greatest growth are: Service, Government, Finance and Real Estate. The most drastic decline has occurred in Mining, which in 1967 employed less than 5,000 persons. The fact that the mining industry in Johnstown has been so affected explains, in part at least, the high percentage of older males who are not in the labor force. Those who lost their jobs in the mines no longer have a marketable skill and as a result have dropped out of the labor force.

It is interesting to note that there has occurred a decline in service workers despite the fact that there was substantial growth in the service industry. The entire increase in the service industries was due to the increase in the professional services (medical, educational and legal) which employ primarily professional and technical people. The other services all declined over the period.

Occupational Distribution

One other significant change is found in the changing occupational composition of the Johnstown labor force. The relative shift away from operatives, *etc.* to craftsmen, *etc.* and laborers seems to be due primarily to many little changes. The only major shift to be discovered is in Mining when, taking account of the decline of the industry and the shifting skill mix, approximately 12,000 operatives *etc.* lost their jobs, and many of these presumably did not reenter the labor force and those who did undoubtedly changed job classification (see Appendix Table B-12).

It is perhaps not out of place to make a further comment on the mining industry in the Johnstown area at this point. The mining sector has changed from employing close to one-fourth of all the employed in 1950 to employing only about 6 percent in 1968.[7] This would dictate a change in the overall perspective with which the area is viewed. From a human resource viewpoint it is no longer acceptable to categorize the region as a mining region. Certainly no one would characterize the United States in terms of its mining sector and yet over 9 percent of its employment is in this industrial sector.[8] The only major industry which has moved in to take up some of the labor surplus slack created in Johnstown is the apparel industry which presently has a higher employment total than does the mining sector. However, as will be made evident later, the types of employment created by the apparel industry are not in general substitutes for the types of employment are vanishing but, rather, which are complements to them.

The changing occupational composition of the Johnstown economy, reflecting the shifts in industrial domination of the area, also has important implications for its future occupational staffing pattern. In view of the long lead time required for the preparation and development of human resources to effectively participate in the economic life of the area, projections of occupational requirements have a special significance. Table 8 presents occupation projections for twenty-seven categories. These twenty-seven are also sub-grouped into eight major categories. The discussion of these projections will be in terms of the eight aggregates. One major reason for this is the loss of precision the more refined the categories become.

The method used to derive these estimates is discussed in Appendix B. Basically the method assumes the same relative changes in production techniques for local industries as are assumed (by the U. S. Bureau of Labor Statistics) for national industries. Perhaps, the most discouraging aspect of these projections is that they are

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[7] Computed from Bureau of Employment Security monthly labor market letters.

[8] Computed from Bureau of Census, United States Statistical Abstract, 1967.

TABLE 8

RELATIVE SHARES OF TOTAL EMPLOYMENT BY MAJOR OCCUPATION GROUP, 1960 AND 1975, FOR JOHNSTOWN LABOR MARKET AREA AND THE UNITED STATES

	1960		1975	
	Johnstown	National[1]	Johnstown	National[2]
White Collar	34.5	44.2	34.4	47.7
Professional & Technical	9.4	12.1	9.2	14.1
Managers, Officials, and Proprietors	6.6	10.6	6.1	10.7
Clerical and Sales	18.5	21.5	19.1	22.8
Blue Collar Workers	52.6	36.3	51.7	33.7
Craftsmen and Foremen	16.7	12.8	19.2	12.2
Operatives	25.9	18.3	26.0	16.6
Laborers	10.0	5.1	6.5	4.8
Service Workers	10.4	13.1	11.2	14.6
Farm Occupations[3]	3.4	6.3	2.7	4.0

1. National data are for 1964.

2. Projections based upon an assumed 4.5 percent average

3. There is no indication whether the national figures include mine workers. This category is, however, excluded from the laborers category. Johnstown "Farm" includes mine laborers.

Source: Leonard A. Lecht, *Manpower Requirements for National Objectives in the 1970's*. Center for Priority Analysis, National Planning Association. (Wash., D. C.) 1968, Table 3-2.

based on Census data and, therefore, the 1975 estimates can only be compared to 1960 data. Also, this data is on a residence basis and not on a "where-work" basis.

Because of the drawback of not knowing the present occupational distribution in the area, it is not possible to add the increased demand in a category to the replacement demand, due to deaths and retirements. Replacement demand has been estimated, however, and is presented in relative terms to give some indication of the total number of workers who must be replaced annually in the various categories.

Table 8 shows the 1960 and 1975 shares of total employment of each broad occupational group, compared to that for the United States as a whole. The most glaring difference between Johnstown's distribution and that for the United States is that in 1960 Johnstown had better than one half of its workers in the blue collar category, whereas for the United States (in 1964) blue collar workers represented only 36.3 percent of the total.

The distribution between white and blue collar workers is anticipated to change very little by 1975 for Johnstown (despite a further increase in the relative number of White Collar workers for the nation as a whole). However, the components of the Blue Collar category are expected to change. There is expected to be a decrease in the contribution of the unskilled laborers and an increase in the contribution of skilled craftsmen.

In order to analyze the various changes which are expected the occupational distribution is presented in a slightly different and more detailed format: Table 9.

Skilled Workers

From 1960 to 1975 the category which encompasses skilled workers is expected to increase by 27.5 percent. This will increase the relative share in total employment of the skilled workers. The primary reason for this increased share is due to the 38.8 percent increase in Craftsmen, Foremen, and Kindred Workers.

TABLE 9

OCCUPATION PROJECTIONS FOR JOHNSTOWN LABOR MARKET AREA, 1975 COMPARED WITH 1960 DISTRIBUTION

OCCUPATION	1960		1975		PERCENT CHANGE 1960-75
	EMPLOYMENT	SHARE OF TOTAL	EMPLOYMENT	SHARE OF TOTAL	
TOTAL	84,799	100.0	102,660	100	21.1
Skilled	27,741	32.7	35,380	34.5	27.5
Professional, Technical and Kindred	7,954	9.4	9,430	9.2	18.6
Engineers, Tech.	660		980		49.0
Natural Scientists	57		80		40.0
Technicians except Medical and Dental	19		30		58.0
Medical and Other Health Workers	1,835		2,050		12.0
Teachers	2,688		2,970		10.0
Social Scientists	30		40		33.0
Other	2,665		3,280		23.0
Managers, Officials and Proprietors	5,604	6.6	6,270	6.1	12.0
Craftsmen, Foremen and Kindred	14,183	16.7	19,680	19.2	38.8
Construction Craftsmen	2,874		5,380		87.0
Foremen (N.E.C.)	1,890		2,350		24.0
Metal Workers Except Mechanics	434		450		4.0
Mechanics and Repairmen	3,807		5,630		48.0
Printing Trade Craftsmen	169		190		12.0
Transportation and Public Utility Craftsmen	746		740		-1.0
Other Craftsmen and Kindred Workers	4,263		4,940		16.0
Clerical and Sales	15,719	18.5	19,620	19.1	24.8
Clerical and Kindred	8,979		11,740		31.0
Sales Workers	6,740		7,880		17.0
Unskilled	41,338	48.7	47,660	46.4	15.3
Operatives	22,001	25.9	26,690	26.0	21.3
Selected Transportation and Public Utility Operators	3,707		6,450		74.0
Semiskilled metal workers	1,666		1,620		-3.0

TABLE 9 (Continued)

OCCUPATION	1960		1975		PERCENT CHANGE 1960-75
	EMPLOYMENT	SHARE OF TOTAL	EMPLOYMENT	SHARE OF TOTAL	
Semiskilled					
Textile	16		20		25.0
Other Operators and Kindred Workers	16,612		18,600		12.0
Service Workers	8,861	10.4	11,540	11.2	30.2
Private Households	1,255		1,940		55.0
Protective Service Workers	620		730		18.0
Waiters, Cooks, and Bartenders	2,625		3,330		27.0
Other Service Workers	4,361		5,540		27.0
Laborers, except Farm and Mine	7,615	10.0	6,690	6.5	12.0
Farm and Mine Workers	2,862	3.4	2,740	2.7	4.0

Source: U. S. Bureau of the Census, Census of Population, 1960.

The major component increase among Craftsmen is expected in the construction industry. This is based on the optimistic projection for this industry which assumes that dilapidated buildings will be replaced and that roads will be constructed. The need for mechanics and repairmen is also expected to increase substantially over the period being discussed. The reasons for this are obvious: the increased use of automobiles, appliances and business machines which has been taking place and which is expected to continue into the future.

Surprisingly, there is expected to be a slight decline in the share of employment accounted for by the Professional and Technical workers. One of the major reasons for this is the very slight growth expected in the medical and teaching categories. This is because the population expected in 1975 is only slightly larger than the total population in 1960. The demand for both of these skills is primarily a function of population.

Clerical and Sales Workers

The 17 percent increase in Sales workers has already been explained in the industry section on Wholesale and Retail Trade. The greater than 30 percent rise in the need for clerical workers is based on an expected increase use of communications, such as mail and telephone increasing the demand for these workers. Also, there is little question that most businesses are expanding their use of stenographers, secretaries, typists, bookkeepers and office machine operators.

Unskilled Workers

The relative contribution of unskilled workers is expected to decline over the period 1960 to 1975. This despite a large increase in Transportation and Public Utiltiy Operators. The reasons for this increase in this sub-group were discussed in the Industry section. Similarly the reasons for the decline in Semiskilled Metal

Workers and the increase in Semiskilled Textile Workers should be clear from the preceeding industry discussion.

Other Workers

There is little point in elaborating the trends expected for Service Workers, Laborers, and Farm and Mine Workers. These categories were covered in the Industry section.

The net result expected, then, is a slight movement toward a need for a more skilled labor force in the Johnstown economy, but nevertheless, a labor force which trails well behind the national average in skill level. Unless the industrial composition of Johnstown is greatly different from that projected, the area will retain its "Blue Collar" status.

Replacement Demand

Table 10 presents the relative annual replacement demand necessary in Johnstown occupations. Since there is no way of knowing the present occupational distribution in Johnstown, there is no way to add absolute replacement demand to obtain the required occupational demand between now and 1975. Any attempt at estimation would be highly artificial.

What Table 10 does indicate is that those occupations which employ a great number of females have the highest replacement demands. Thus, for example, even though the increased demand for clerical workers between 1960 and 1975 was about average for the area, the total number who will be required for this type of work between now and 1975 will be well above average. Both because of a high need for replacement, as well as a great number in the occupation to begin with.

The need for replacemnet presents no great problem in the Johnstown area. The skilled categories for the most part have

TABLE 10

ANNUAL REPLACEMENT DEMAND DUE TO DEATHS AND RETIREMENTS AS A PERCENTAGE OF TOTAL EMPLOYMENT IN AN OCCUPATION

Occupation	Replacement Demand
Engineers, Technical	1.5
Natural Scientists	1.9
Technicians, except Medical and Dental	2.7
Medical and other Health Workers	2.1
Teachers	4.0
Social Scientists	2.4
Other Professional, Technical and Kindred Workers	3.0
Managers, Officials, and Proprietors	3.1
Clerical and Kindred Workers	4.3
Sales Workers	3.4
Construction Craftsmen	1.8
Foremen (N.E.C.)	2.3
Metal Worker Craftsmen except Mechanics	2.5
Mechanics and Repairmen	1.6
Printing Trade Craftsmen	1.9
Transportation and Public Utility Craftsmen	1.9
Other Craftsmen and Kindred Workers	2.0
Selected Transportation and Utility Operators	1.2
Semiskilled Metalworkers, Semiskilled Textile Occupations	0.1
Other Operators and Kindred Workers	2.4
Private Households	5.4
Protective Service Workers	3.3
Waiters, Cooks, and Bartenders	4.1
Other Service Workers	4.4
Laborers, except Farm and Mine	1.5
Farm and Mine Workers	3.3

relatively low relative needs in this area, combined with the fact that the number of skilled workers needed in the area is expected to remain relatively the same which is well below the national average. In the past those industries which have been declining are those industries which hire primarily male employees. For example the metals industry group has better than 95 percent of its labor force made up of males. The mining sector is very nearly 100 percent in this respect. The other major industries which have been declining such as transportation and utilities and durable goods in general, employ 89.2 percent and 80 percent males respectively. On the other hand, those sectors which have been growing lean much more heavily toward female labor. Nondurables in general employ over 60 percent women; and the apparel industry in particular has over 90 percent of its labor force female. The other two growth sectors of Finance, _et al._, and Services, employ 42.4 percent and 57.7 percent women respectively. In the category of Services the growth sectors of Medical, and Education employ between 60 percent and 80 percent women.[9]

These statistics help to round out much of the previous discussion. The tremendous surplus of relatively lower labor cost female labor which existed in years past was the resource which drew the apparel industry into the Johnstown area. Thus the increased availability of female employment was an inducement for women to enter the labor force and so increased the labor force participation rate of women. It would seem that on the basis of the low female labor force participation rate there is yet a reserve of this type of labor untapped. Secondly, the decline in the basically male oriented industries has been the cause of the large out-migration of males in the younger age groups, and the low labor force participation rate of the older males.

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[9] Data from U. S. Bureau of the Census, _Census of Population, 1960._

The changing character of labor force participation rates among males and females is interacting. The decline in male employment has probably contributed to the increased participation of women. The fact that many primary income earners in households have lost their income earning ability has driven the secondary income earners (women) into the labor force. The result of this has been that the ratio of female employment to male employment rose from .27 in 1950 to .40 in 1960[10] and around .45 in 1968.[11]

Table 11 projects an even further increase in female participation in the Johnstown area.

It has already been fairly conclusively demonstrated that the Johnstown Labor Market Area has in the past been unable to provide adequate employment for its population; the result of which has been out-migration. A further consequence of this experience is that the Johnstown Labor Market Area has not been able to provide satisfactory employment for its remaining residents. In 1960, 4,118 residents who lived in Cambria and Somerset counties commuted to work outside the two-county area, whereas only 3,826 individuals living outside the two counties commuted to work within the Labor Market Area. In other words, the Labor Market Area in 1960 was a net exporter of labor to the extent of approximately 300 workers. Cambria County had a net inflow of workers but Somerset lost 1,460 workers to counties outside the Labor Market Area.[12]

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[10] Census data.

[11] Bureau of Employment Security data.

[12] Computed from U. S. Bureau of the Census, Population 1960, Journey to Work.

TABLE 11

PROJECTED POPULATION AND LABOR FORCE FOR THE JOHNSTOWN LABOR MARKET AREA, 1975

	Males			Females		
	Population	Labor Force Participation Rate	Labor Force	Population	Labor Force Participation Rate	Labor Force
0-4	14,764			14,128		
5-9	14,047			13,597		
10-13	12,250			11,800		
14-19	15,336	23.5	3,604	15,256	20.7	3,158
20-24	13,391	81.5	10,914	13,416	50.3	6,748
25-29	10,448	94.8	9,905	10,984	30.1	3,306
30-34	6,620	95.7	6,335	7,753	27.8	2,155
35-39	3,072	94.7	2,909	4,712	32.0	1,508
40-44	4,360	95.0	4,142	5,286	37.6	1,988
45-49	6,441	94.2	6,067	7,493	40.1	3,005
50-54	7,334	94.2	6,909	8,548	47.0	4,018
55-59	7,515	81.3	6,110	8,462	38.1	3,224
60-64	7,078	69.1	4,891	7,346	21.2	1,557
65 and over	13,725	21.6	2,965	17,720	8.6	1,524
Total	136,388	67.2	64,031	146,510	33.8	32,191

Assumptions:	Birth Rate	Death Rate	Net Mig. Rate
60-65	21.70	10.40	-17.00
65-70	21.30	10.30	- 7.50
70-75	20.80	10.20	- 7.00

Unemployment

Perhaps the best and most useful indicator of the Johnstown area's ability to provide jobs for its residents has not yet been discussed. It is to the unemployment of the region to which we now turn. Figure 7 indicates that since 1950 the Johnstown Labor Market Area has had an unemployment rate well above the average for the country. This despite a declining population and a lower than average labor force participation by its citizens. This table also points to the economic dependency of the Johnstown economy on the overall health of the U. S. Economy. The troughs of the business cycle occurred in 1954, 1958, and 1961. In all three cases the Johnstown unemployment rate drastically worsened. Comparing these unemployment rates with those for the U. S. demonstrates the highly volatile nature of the local economy. As pointed out before, the most probable reason for this is the strong dependence of the economy on a very cyclically sensitive basic manufacturing industry.

The loss of population seems to follow after the cyclical movements of unemployment. Simply stated, the fewer jobs the fewer who wish to remain in Johnstown. A look at the present situation would appear to indicate a further out-migration of population. A sample of 944 of the unemployed in the area covering the months from December 1966 through September 1968 found the following. Approximately 40 percent of the unemployed were between the ages of 25 to 44. Over 70 percent of the unemployed were primarily wage earners, and over 50 percent were married with dependents. Better than 20 percent of the unemployed were without work for 15 weeks and over.[13] In other words, the persons who are unemployed are those who cannot afford to be, and may very well continue the migration pattern of the past.

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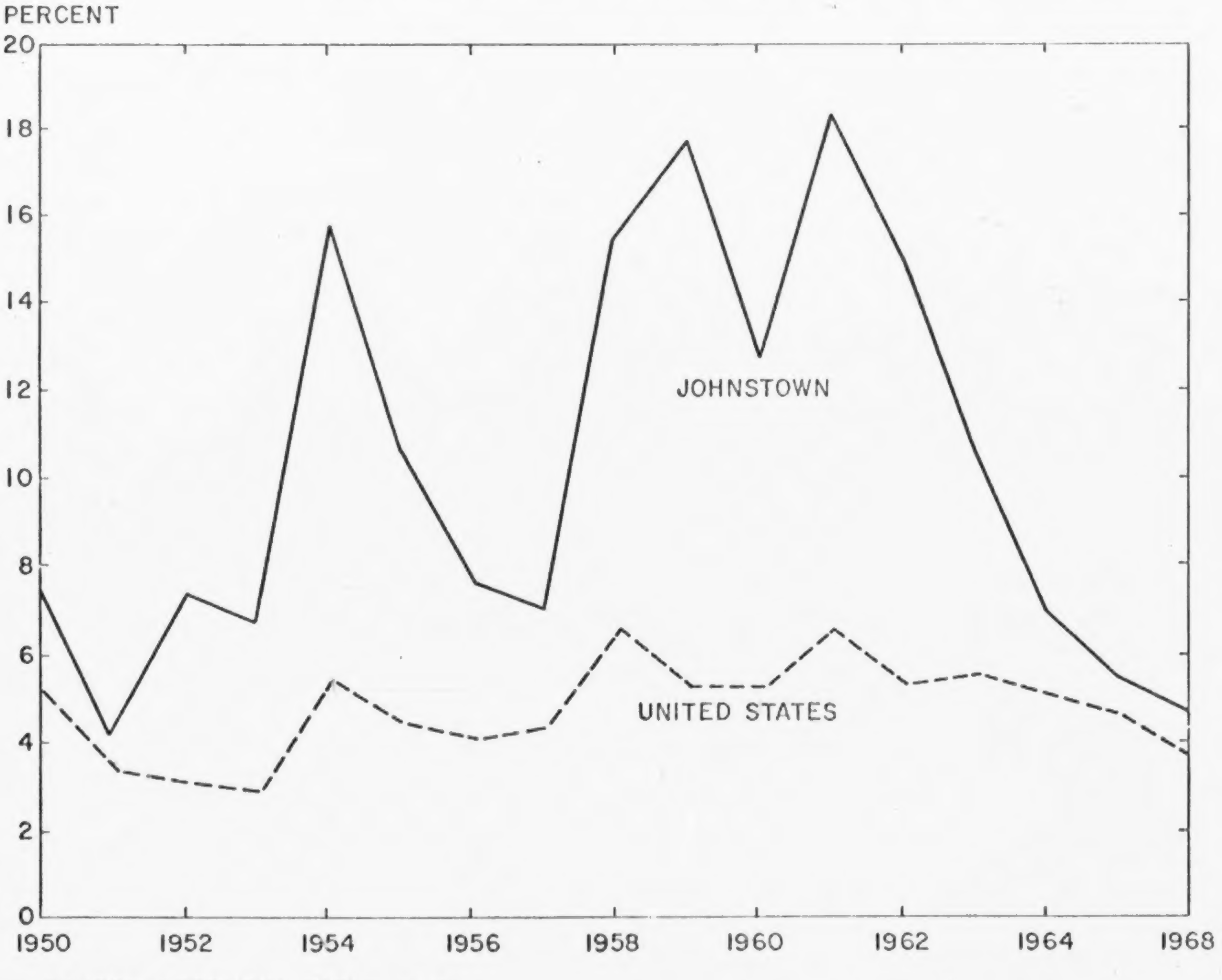
[13] Sample taken by Bureau of Employment Security.

FIGURE 7.

ANNUAL UNEMPLOYMENT RATE FOR JOHNSTOWN LABOR MARKET AREA AND THE UNITED STATES, 1950-1967



SOURCE: APPENDIX, TABLE B-13.

Close to 40 percent of the unemployment is in the metals and apparel industry, with only 5.2 in the mining industry. This last figure supports the points made earlier that most unemployed mine workers have either dropped out of the labor force or switched affiliation. Only a small percentage of the total unemployment is in the white-collar groups, reflecting perhaps in part the availability of these jobs outside the Labor Market Area.

Better than one-half of the unemployed are in the occupational categories of Processing, Benchwork, and Structural Work.

The overall picture presented by unemployment statistics is not particularly sanguine. While it is true that the unemployment rate is much lower than in the early 60's this is due in part to the loss of population. For example in 1966 the unemployment rate was 3.5 percentage points lower than in 1950, but at the same time there were 10,000 fewer jobs in 1966 than in 1950. Secondly, the unemployment which exists is distributed such that large lumps of it reside in the basic industries in Johnstown of metals, apparel and construction. Lastly, those who are unemployed are in the prime worker's age categories, representing a waste of resource potential to the area which may eventually leave the area.

Over the years the two basic problems facing Johnstown have been chronic unemployment and depopulation. The second is a result of the first and the first is due to the fact that the lack of diversified industry has not enabled the area to absorb the surplus labor which has been created.

CHAPTER 12

POVERTY AND RACIAL MINORITY CHARACTERISTICS

Having examined the human services of Johnstown and the manner in which they have been utilized as an economic resource, it is in order to view the population not as providers of services but as recipients of income. The main concern of this section is to ascertain the adequacy of income levels in the Johnstown area. It is assumed in this discussion that income is a measuring rod for economic welfare, and by the term welfare will be meant economic welfare. In other words, income insofar as it represents buying power and is a key to living standards is a measure of economic welfare.

When speaking of income, three main concepts are employed: total personal income, per capita income, and family income. Total personal income is the total of all income received by the population and per capita income is total personal income divided by the number of people. Total personal income is comprised of wages and salaries, other labor income, proprietors' income, property income and transfer payments; less contributions to social security. The total of the first three items represents earnings. Property income represents the sum of rent, interest and profits. Since the family is perhaps the basic welfare unit in society family income is the best indicator of the economic status of a community when viewed from a welfare viewpoint. Family income is that reported by individual families in the Census.[1]

In 1966, total personal income in Johnstown was $586.8 million which represented an increase of 39 percent over the 1959 figure. Examining the relative contribution of each major source of income to total personal income, and comparing the Johnstown figures with those for the U. S. and for all mideast labor market areas,[2] two major discrepancies are apparent (See Appendix Table B-14). These are the high percentage of transfer payments in Johnstown and the low percentage of property income. With regard to the low share of property income in Johnstown of only 10.3 percent in 1966 compared with 14.3 percent for the U. S. as a whole very little can be said. One reason would be the lower rents in the Johnstown area. In 1960 the median rental value in the State of Pennsylvania was 18 percent higher than in the Johnstown Labor Market Area and as much as 30 percent higher than in Somerset County.[3] Another possible explanation for the low share of property income is that the residents of Johnstown own fewer stocks and securities than is normal for the U. S.

More, however, can be said of transfer payments. As was indicated previously, the migration and subsequent relative aging of the Johnstown population would dictate an added welfare burden. This has indeed been the case. Old Age, Survivors', and Disability Insurance (O.A.S.D.I.) benefits as a percentage of total benefits have indeed been rising for the years for which data is available (1959-1966). However, part of this percentage increase after 1961 was undoubtedly due to the fall in unemployment and the concomitant decrease in unemployment insurance payments. Nevertheless, there has been a continued absolute increase in O.A.S.D.I. payments over the period. For the entire period the percent change in O.A.S.D.I. payments was 47.5 and only 1.7 for non-O.A.S.D.I. payments.[4] This would indicate that the major contributing factor to the long-term increase in transfer payments in the area is the relative aging of the population.

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[1] For definitions see U. S. Department of Commerce, Bureau of the Census, U. S. Census of Population: 1960; Pennsylvania, PC (1) 40 c. Pa.

[2] The mideast labor market areas are those in New York, New Jersey, Pennsylvania, Delaware, Maryland, and certain areas in Ohio and West Virginia.

[3] Calculated from Department of Internal Affairs, Pennsylvania Statistical Abstract, 1964-65.

The most volatile component in the transfer payment total is unemployment compensation. An indication of this is that non-O.A.S.D.I. payments increased 17.2 percent between 1960 and 1961 when high unemployment was generated and after 1961 began to have negative changes when unemployment began to abate. From 1962 to 1966 there has been a slight decline in the magnitude of transfer payments, most likely reflecting the improved unemployment situation in recent years (see Appendix Table B-16).

The major source of purchasing power in the Johnstown area is wages and salaries, which provides 68 percent of the area's income.[5] The major and increasing source of this income is manufacturing. In 1966 income from manufacturing comprised 31.6 percent of total personal income, compared with 24.4

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[4] Commonwealth of Pennsylvania Department of Internal Affairs, Bureau of Statistics, Pennsylvania Statistical Abstract, 1960-1964-65.

[5] There is some discrepancy in that the total personal income figures are on a "where earned" basis and do not represent the income received in the Labor Market Area. However, the divergence is not very large. Using 1960 Census population figures (which were surveyed in 1959) and multiplying this times the per capita income figures (which are on a "where received" basis) one finds a net inflow of income into the area of $18 per person. This supports the argument made earlier concerning mobility.

percent for the U. S. and 25.1 percent for all mideast labor market areas. This was an increase from 26.2 percent in 1959 in Johnstown.

The contribution of manufacturing to total personal income is much greater in Johnstown than in the country as a whole for two reasons. First, the Johnstown area employs a much higher percentage of its workers in manufacturing than does the nation as a whole, and secondly (as shown in Appendix Table B-17), the Johnstown manufacturing sector pays higher wage rates than the average for the nation. These factors are heightened when it is remembered that the bulk of the manufacturing employment in Johnstown is situated in the metals industry and where it is seen that the reason for the Johnstown wage differential is that it is greatest in the metals category.

These wage rate differentials which exist in manufacturing in Johnstown have certain economic implications of their own. It appears likely that the high wage rate reputation of the durable goods manufacturing sector dominated by the strongly unionized metals industry may have adversely affected the location of industry in the area. One of the resources Johnstown has to offer new industry is its human resources, which, however, needs to be assessed in terms of competitive costs. Increasing wage rates in the United States are advantageous to Johnstown. From the percentage changes evidenced in Appendix Table B-17 it appears that this wage differential is narrowing. However, the manufacturing wage differential in Johnstown when compared with Pennsylvania is widening. This is true in all sectors.

The impact of wage rate differentials on the nondurable sector of Johnstown industry is just the reverse of what it has been in the durable sector. In 1960 the nondurable goods sector in general and the apparel industry in particular was paying lower wages in Johnstown than was average for the state or nation. It was because this labor--primarily female--was comparatively less costly in the area that the apparel industry was attracted to Johnstown. However, on this basis one can expect this type of industry to begin looking elsewhere in the future if the wage differential continues to narrow as it has since 1960.

It is difficult to determine just how these wage rate differentials have affected the overall income status of the population. There can be no question that the low nondurable industry wage rate attracting this type of industry at the time of a general area economic decline offset some economic suffering. The effect of the high wage rate in the durable industry sector is not as clear cut. It is unlikely that a lower wage rate in the metals industry, even if this were to happen in the face of existing unionization, would have generated much more employment in that particular industry. In this regard, the high wage rate differential has probably improved the economic well being of the population. Balanced against this, however, must be the probable loss of employment and earnings which have not been realized because of the high wage reputation of the area scaring off new industry. At the same time some may argue that industry which cannot, or will not, pay competitive wages is not desirable for the economic development of the Johnstown area.

Previous mention of the declining importance of mining in the Johnstown area has been made indicating the the Labor Market Area can no longer be viewed in the perspective of a coal oriented area. Mining now only accounts for 7.2 percent of the total income of the area which is less than the contribution made by transfer payments. This is not to say that coal is not one of the primary resources of the area, but rather, it is a resource which is providing less and less welfare for the area. In 1959 this sector provided better than 11 percent of total personal income.

As noted, total personal income in the Johnstown Labor Market Area rose from $430 million in 1959 to $587 million in

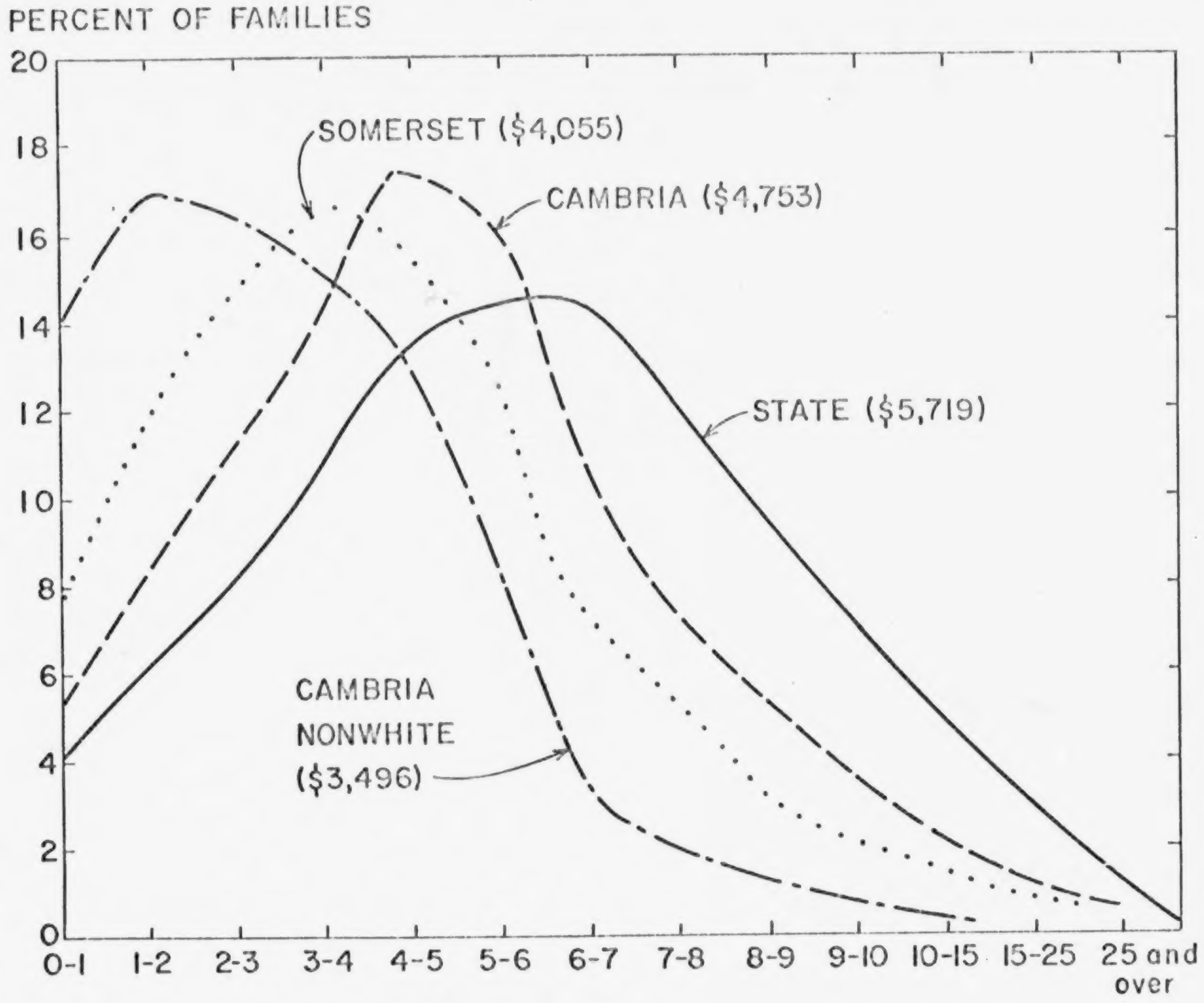
1966. This does not, however, yield a very good measure of welfare. A better measure of economic well being is per capita income. From 1959 to 1966 the per capita income of the Labor Market Area rose from $1,550 to $2,156 (see Appendix Table B-18) which indicates on the surface a large rise in the welfare of its citizens. These figures fail to account for two factors. First, increased money income does not represent an increase in purchasing power unless that increase is greater than the increase in prices. Secondly, poverty and welfare are relative such that if everyone else in the nation received equal increases then in relative terms there has been no improvement.

When the per capita figure for 1966 is deflated using a price index for the City of Johnstown (1957-59 as a base) the figure for 1966 becomes $1,909 thus indicating an overall increase in the purchasing power of the resident of the Johnstown region. When compared to U. S. changes in per capita income, the percent of Johnstown per capita income rose from 72 percent to 73 percent. The indication here is that the average resident of Johnstown is more than 25 percent poorer than the average U. S. resident, and that this situation is improving only slightly.

An analysis of the income distribution in the area requires an examination of family income data. Figure 8 compares the distribution of family income for the two counties of Somerset and Cambria with that of Pennsylvania for 1960. From this comparative analysis it is obvious that there is a greater degree of poverty in both counties than in the state as a whole. Somerset County has the most skewed distribution of the three jurisdictions. In fact, in 1960, one-third of the families in the county had incomes of less than $3,000. Some of this is undoubtedly due to the existence of small farmers and the possibility of non-monetary income, in the form of food consumed and payments in kind.

FIGURE 8.

DISTRIBUTION OF FAMILY INCOME FOR CAMBRIA AND SOMERSET COUNTIES, PENNSYLVANIA, AND THE NONWHITE POPULATION OF CAMBRIA COUNTY, 1959



SOURCE: APPENDIX TABLE B-19.

In the context of income analysis, as well as employment and unemployment, the Negro is distinctly at an economic disadvantage. When the status of the Negro in the Johnstown area is analyzed, this economic disadvantage is clearly evident. Within Cambria County, the median income of the City of Johnstown was below that for the county as a whole and was lowest in Prospect Borough (see Appendix Table B-19). Since Prospect is one of the neighborhoods most populated by Negroes, one might infer that the Negroes in the area were more disadvantaged than the population in general. Figure 8 shows that this is indeed the case. In fact, the Johnstown Negro family is in a worse economic condition than the average Negro family in the state as evidenced in Appendix Table B-19.

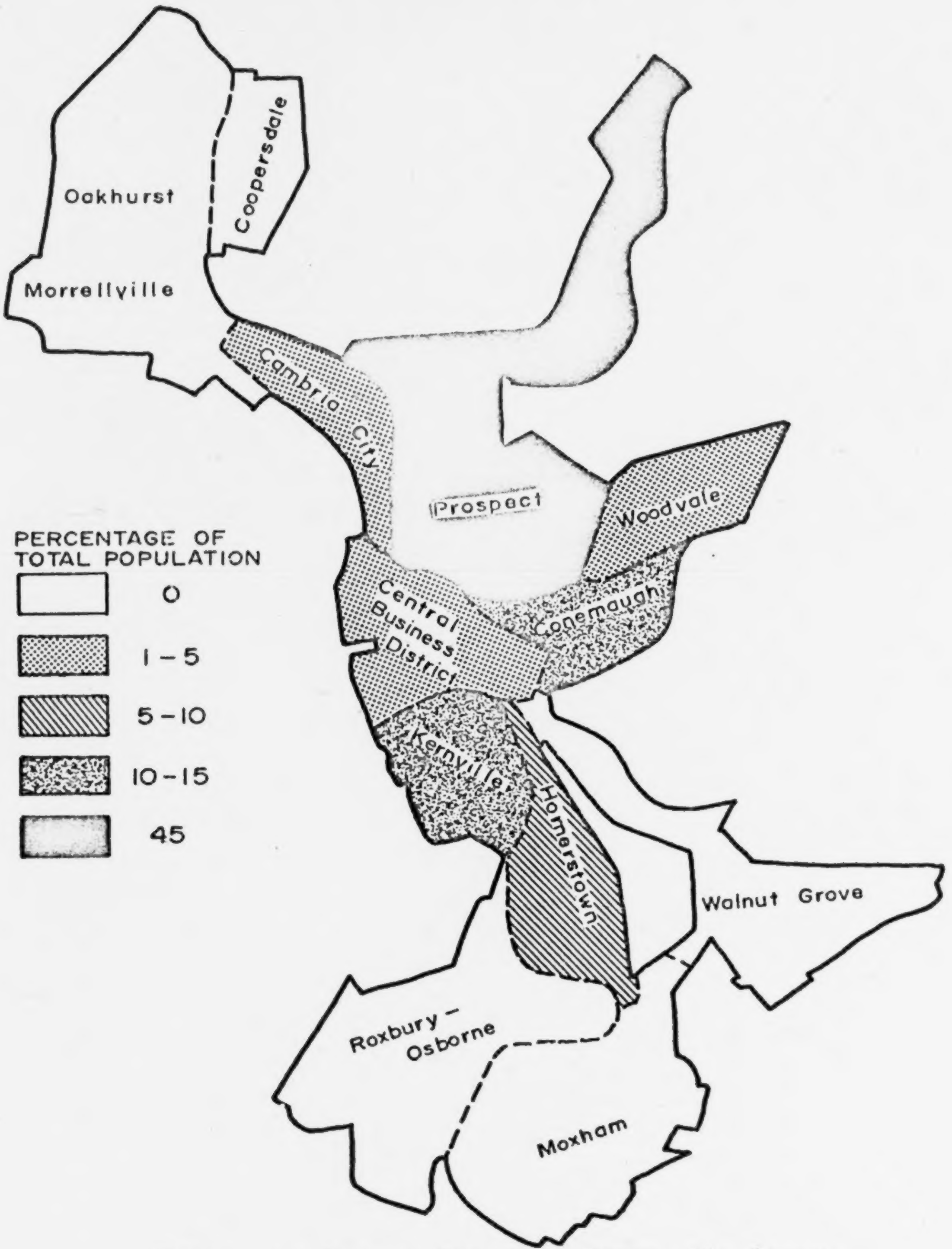
It is, of course, true that the Negro population in the Labor Market Area is very small. In 1960 the nonwhite population was 1.8 percent of the total in Cambria County and a negligible 0.3 percent in Somerset County. However, in the City of Johnstown it comprised 5 percent of the population. Again, this is not large but when account is taken of the fact that this 5 percent is concentrated primarily in the two boroughs of Conemaugh and Prospect, the degree of concentration increases. In terms of Census Tracts the area of Conemaugh Borough has 13 percent of its population nonwhite, and for the Prospect area the concentration of nonwhite is 45 percent. When speaking of this nonwhite population, one is for all intents and purposes referring to the Negro. The percent of Negroes in the nonwhite population of the Johnstown Labor Market Area is 97.6 percent.

Low income is usually associated with unemployment, low educational attainment, and jobs of low skill. The Negro population of the Johnstown area exhibits all of these characteristics.

The areas occupied by the greatest percentages of Negroes (Conemaugh and Prospect) show the lowest median levels of educational

MAP 8

CITY OF JOHNSTOWN RELATIVE DISTRIBUTION OF NONWHITE POPULATION, 1960


Oakhurst
Coopersdale
Morrellville
Cambria City
Prospect
Woodvale
PERCENTAGE OF TOTAL POPULATION
0
1 - 5
5 - 10
10 - 15
45
Central Business District
Conemaugh
Kernville
Hornerstown
Walnut Grove
Roxbury - Osborne
Moxham

Source: U.S. Dept. of Commerce, Bureau of the Census,
U.S. Census of Population, 1960.

attainment (see Appendix Table B-20).[6] In 1964, three hundred and six household interviews were conducted to obtain information about housing, occupations, and education of Johnstown's nonwhite population.[7] The Negro sample collected showed 39 percent of the Negro city population had completed less than eight grades. Two point two percent of the total population completed four years of college. Less than one percent of the Negro population had college degrees. In fact, none of the 306 people interviewed had graduated from college and only four had attended.

The amount of formal education a person receives influences the broad occupational group in which he will be found. Of those who have completed high school, most fall into the three broad occupational groups: crafstmen; operatives and managers; officials and proprietors. Those who have completed elementary school but not high school are generally employed as operatives or craftsmen. Those with less education are employed primarily in farm, service and laboring jobs.

The United States Census data indicate that despite improvements in the past twenty years, Negro workers are still disproportionately concentrated in the ranks of the unskilled and semiskilled. In Johnstown the Negro work force breaks down as follows.

Less than one percent are in professional and technical; only 24 percent in contrast to 48 percent of the total work force can be listed as operatives and craftsmen; 62 percent of those Negroes working must be classed as unskilled in contrast to the 17 percent unskilled laborers in the total local work force.

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[6] This section is in part based upon qualitative information from (1) a report by the AFL-CIO Human Relations Commission, provided by Paul Martin of the Cambria County Community Action Council, and (2) discussion with Dr. David Westby of The Pennsylvania State University who has been engaged in sociological research in Johnstown.

[7] Survey conducted by sociology classes of the Johnstown College of the University of Pittsburgh.

The unemployment rate of Negroes nationally is twice that of whites. This is partly the result of their concentration in the unskilled and semiskilled jobs--those most severely affected by both cyclical and structural employment. Unemployment is also related to the lower seniority of the Negro worker. School dropouts suffer the worst unemployment handicaps and since the Negro dropout rate exceeds the whites, it is another disadvantage. In Johnstown the unemployment rate is almost three times the white rate--12 percent for the total labor force and 35 percent for Negroes. (1965 data; 1968--7 percent total; 20 percent Negro.)

This situation is also indicated by the high unemployment rates in the areas primarily populated by Negroes in Johnstown. (See Appendix Table A-20.)

The result of these conditions has already been shown for the Johnstown area: low income for Negroes. Again the overall statistic is supported by the neighborhood breakdown. The income data for Conemaugh Borough is not as conclusive as it is for Prospect Borough. In 1966 the median family income for the City of Johnstown was $4,674 and only $3,832 for the borough of Prospect (see Appendix Table B-20). The median family income for Conemaugh was about equal to that for the city as a whole, however, the number of households earning under $2,000 was well above average.

One of the results of this condition which manifests itself is the poor condition of the housing in which Negroes live. The areas which contain the Negro population have a high percentage of substandard housing[8] and low property values (see Appendix Table B-20).

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[8] U. S. Census definition.

The focus on the Negro in this section is not meant to imply that the entire white population in Johnstown is better off. An inspection of the data for Woodvale Borough will indicate that this is not the case. The problem of poverty in Johnstown is very real and applies to whites as well as Negroes. The poverty characteristics of the whites have not been elucidated in the interests of avoiding redundancy (they may be gleaned from Appendix Table B-20). Also, as has been shown, the burden of poverty weighs more onerously upon the Negro and in today's world and, therefore, has more immediate significance.

The statistics presented illuminate the obvious fact that the Negro is the victim of economic and job market disadvantage in the Johnstown area. This situation is usually equated with employment discrimination. While slum neighborhoods with a high concentration of Negroes are found in Johnstown and the poverty situation cannot be denied, the area has fortunately thus far escaped significant violence or disorder. Elsewhere in this report, based on information derived from interviews in the community, there is indication that discrimination in citizenship, employment, education, housing, and in places of public accommodation exists in varying degrees. In Johnstown the most evident discrimination is found in the data for housing and employment.

So far as citizenship is concerned, it is difficult to show that there has been any interference with the equal participation or equal protection of Negroes under the law. They vote, take an active part in political activities and have been employed in political jobs. None has won a general election but a primary election for school director was won in 1964 by a Negro. While a qualified Negro might win an election to political office in the city, it is doubtful if he could do so in the country.

Allegations have been made, but substantiation is difficult, of indignities attributed to color or race: suspicion and harassment by the police; a "break" before the courts is less likely to be given; chances of being put on probation or paroled are less than the chances of whites and the possibility of getting bail are less when bail is required. Some support for these allegations is found in court records. Negroes have been under-represented on juries in Cambria County, as in most counties.

A part of this unequal treatment is related to the general level of education attainment and to socioeconomic status as well as to the racial factor. As Negroes attain better education and move into better occupational positions they will be able, in part, to improve their chances in court. Cultural deprivation extends to all problems involving the nonwhites.

Discrimination in employment takes a variety of forms. It may be exclusion by employers and unions. Nonwhite employment in the building trades is a case in point. Some "selective" exclusion results in keeping Negroes out of certain preferred categories of employment. A man is "underemployed" when he is frozen in a job category below his skills or capacities. Employment discrimination manifests itself in "preferential" hiring when Negroes are the last hired and the first fired.

Simultaneously some people in the area complain of "discrimination in reverse." White workers in Bethlehem Steel, it is said, are beginning to feel that the black workers are receiving preferential treatment in both hiring and promotion. While the facts may not support such views, the existence of these attitudes has significance.

A small percentage of Negroes are presently trained to move into the more skilled occupations. A related problem is that of motivation. Almost one-half of the Johnstown Negroes reporting in the Spring of 1964 felt they were doing the kind of work they were best qualified to do. Yet 62 percent of the respondents were laborers and not one in the survey was in the professions and only a few in skilled trades.[9]

The most obvious inequality related to race in the city is in housing. The Negroes in Johnstown and Dale Borough are residing in those areas with the most substandard housing units. The data show Negro homes to be smaller, a fewer number of rooms, more people per unit and lacking facilities to a greater extent than is to be found in housing where whites live. In public housing, Negroes are concentrated in one of the four city projects. However, Negroes have been accepted in public housing at a rate that exceeds that of whites and have a low rate of rejection. On the negative side, the high number of Negroes in the projects reflects the economic problem of low income.

In answers given to interviewers there was a reluctance on the part of those Negroes interviewed to admit that they had tried to find homes in different neighborhoods. Yet 24 percent reported that they had tried and 33 percent felt that discrimination had prevented them from getting the kind of home they sought. The amount they felt they could pay for a house is consistent with the lower economic status. Twenty percent of those who wanted to buy could not afford to pay more than $6,000. The median value of all housing in the city is over $9,000. Thirty percent could not go above $9,000. Thus 50 percent of those who want to buy could not afford housing at the average rate.[10]

Previous studies of the Greater Johnstown Schools have not shown evidence of prejudice or discrimination. However, blacks are over-represented in the vocational programs and under-represented in the academic or college preparatory program. On the college level it can be reported that the Johnstown College has made scholarship funds available to black students and is actively recruiting black students. No change in curriculum to include courses in black history or literature is obvious. Johnstown College does offer a course entitled "The Negro in the American Society" in its adult evening program.

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[9] See footnote 7.

[10] *Ibid*.

The net result of these conditions seems to indicate a developing polarization of blacks and whites in Johnstown. A new militant organization of young Negroes is emerging to challenge the present leadership in the black community. It has antagonized a portion of the older, stable community leaders. The influence is felt among junior and senior high school students and some of the tensions have come out in the open. This is reflected in some disturbances and one disorder resulting in material damage last summer. Two of the three highest rates of juvenile delinquency occurred in the boroughs of Conemaugh and Prospect. Inadequate recreational facilities provided by the city for Negro youth may be a contributing factor. Despite these developments the data collected in the household and leadership surveys for this report, indicate that the Johnstown leaders and members of the community are unaware of, or reluctant to admit that race problems do exist. The local newspaper, radio and television also tend to ignore race problems.

More data are needed on matters of race inequalities and injustices. Additional information is needed about local families. It is required for a variety of reasons. Motivation is related to family background; not only is economic poverty a factor but cultural poverty as well, adversely affects the Negro youth and adult. Sociologists use such terms as "role model" to describe adults with whom young people may identify educationally and vocationally. It would appear that some Negro youth have not found role models to inspire, encourage, and support them within their families or the adult Negro community. As a result they do not profit from their educational experiences to the same extent as whites nor do they aim for the better occupations.

It is encouraging that some efforts to rectify the situation are underway. For example, the "unofficial" restriction of Negroes to the Prospect area, is giving way. Attempts are being made to integrate all housing projects, aided by the Human Relations Council and the N.A.A.C.P. Housing Committee. Previously, Negroes were not hired for white-collar jobs by downtown merchants. Recently, opportunities have opened in employment as a result of the efforts of the N.A.A.C.P. and the Human Relations Commission. Local businesses and industries have made jobs available in new areas. Equality has not been attained, but progress has been made. Other attempts which are presently being made are the hiring of high school dropouts and Neighborhood Youth Development Programs.